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A Relational Theory of Globalization: American Foreign Policy Expertise and Conceptualizing a
Changing World

By

ORI TAMIR
A DISSERTATION

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Abstract

In both popular and scholarly work, ‘globalization’ is generally conceptualized as a social fact; an external force constraining action. The range of conceptualizations is vast: authors writing for popular audiences such as Thomas Friedman and Naomi Klein conceptualize it as the emergence of a global information grid, and the global spread of corporate brands culture, respectively (Klein 1999, Friedman 1999). On the scholarly side, Marxist authors generally conceptualize it as a stage of capitalist development and the emergence of a transnational capitalist class (e.g. Robinson 1999, Harvey 2005, Abdal & Ferreira 2021). World society scholars conceptualize the phenomenon as the global diffusion of norms and practices (Meyer et al. 1997, Meyer 2000). Though these conceptualizations differ significantly, they share the contention that ‘globalization’ is a phenomenon that exists in the social world, and can be analyzed as a stand-alone social object with immutable characteristics.

This dissertation is dedicated to articulating an alternative theory of globalization; a ‘relational’ theory of the phenomenon. This means conceptualizing it not as a discrete social object with unique characteristics that can be isolated from the context in which it is deployed, but rather as inextricable from its cultural and linguistic construction. The relational approach is not limited to the reconceptualization of a single social object like globalization, but is a wholesale philosophical shift in how social science is often conducted (Emirbayer 1997). However, conceptualizing globalization as a relational social object carries unique challenges, while creating novel ways of understanding recent international history.

Understanding globalization as a social fact helps social scientists and the general public make sense of the last two to three decades of world history. It is held responsible for a vast array

of changes that have occurred during this period: the decline of American manufacturing, the emergence of China as a global power, the erosion of traditional cultures, the ascendance of a global financial oligarchy, amongst many others. Arguing that these changes cannot be tied back to a single dynamic undermines common explanations for them. If globalization does not exist ‘out there,’ what accounts for these changes? A relational approach to social science resists ascribing causal power over a wide and complex array of dynamics to a single theory. ‘Globalization’ has functioned as an analytical shorthand to reduce the complexity of recent history into a single concept. But, in order to account for the extreme scope of dynamics that it is meant to encompass, it cannot maintain analytical coherence. This is especially true on the level of individual social action, of which explanations belie efforts to be subsumed into high order concepts like globalization.

On the other hand, a relational theory of globalization carries its own challenges. One is naturally inclined to seek its social construction in history, but because it is such a broad and all-encompassing concept, it is difficult to identify its construction without imposing parameters on the concept inductively, belying the relational impulse. If the analyst is inclined to err on the side of specificity, one can limit the analysis to its most recent usage, and look no earlier than the 1980s and 1990s when it became the term of art to describe the world. However, on the opposite side of the spectrum, one could proceed with an infinitely-general conceptualization of the concept, and locate its construction in early human civilization (e.g. Sachs 2020). This dissertation adopts the latter approach, albeit providing a hypothetical account of its early construction to set the historical foundation for the case studies.

The empirical portion of this dissertation applies the relational theory of globalization to provide a granular account of its construction since the Second World War. This narrative pays

significant attention to the social and cultural context in which American foreign policy practitioners were engaging with the concept, so as to fully-illuminate its social construction. From the Second World War to the early 1990s, the apogee of globalization, the narrative shows how the concept went from a tenuous diagnosis of a barely-discernible change taking place in international life, to the orienting paradigm of American foreign policy, succeeding the conflict with the Soviet Union as the country's highest international priority. Through this narrative account, I show that globalization did not emerge externally from social actors to constrain the action of people and states, but was a perception of a changing international environment that carried with it professional implications for its articulators and political implications for American foreign policy, and thus the wider world.

Table of Contents

Introduction	1
A Theoretical Critique and Reorientation of ‘Globalization’	1
The First Case Study	4
The Second Case Study	6
The Third Case Study	10
Preview of the Dissertation	12
Chapter 1	15
I.I A Substantive Critique of ‘Globalization’	15
I.II A Theoretical Reorientation of ‘Globalization’	39
I.III A Relational Theory of ‘Globalization’	58
Chapter 2	86
II.I Integration, the Cold War, and George F. Kennan	86
II.II Kennan’s Rise and Fall in the PPS	97
Chapter 3	126
III.I APSS and the Shifting Landscape of American Foreign Policy Expertise	127
III.II Zbigniew Brzezinski and an Alternative Foreign Policy	144
III.III The Economic Side of ‘Interdependence’	162
III.IV The ‘LDCs’	181
III.V The Collapse of ‘Interdependence’	191
Chapter 4	200
IV.I ‘Globalization’ & the Emergence of the IIE	200
IV.II The Pursuit of Balanced Budgets and Export-Led Growth in the United States	203
IV.III The Road to the Washington Consensus	213
IV.IV Contemporary Implications	219
Conclusion	224
References	226

List of Abbreviations

APSS	Atlantic Policy Studies Series
CFR	Council on Foreign Relations
FPE	Foreign Policy Expert
IIE	Institute for International Economics
IMF	International Monetary Fund
NATO	North Atlantic Treaty Organization
PPS	Policy Planning Staff

Introduction

A Theoretical Critique and Reorientation of ‘Globalization’

‘Globalization’ is a widely-used term to conceptualize social changes taking place from the late 1980s through the mid-2000s. The various changes that are associated with the term that took place during that time include the conclusion of the Cold War and the concomitant feeling of vindication for liberal capitalism over communism (Fukuyama 1989), the rise of East Asian countries as significant economic powers (Amsden 1989, Wade 1990, Arrighi 2007), the spread of free-market economic policies (Babb 2013), the growth of international financial markets (Helleiner 1994), the creation of a European Union (Fligstein & Stone-Sweet 2002), and the emergence of the internet (Friedman 2005).

During this period, ‘globalization’ also became a popular topic of study in the social sciences (Bauman 1998). However, amidst the proliferation of interpretations and approaches, conceptual clarity has proved elusive (Axford 2013; James 2018). This is, I argue, a product of the sheer breadth of approaches to the topic, the seeming conclusion of the era of ‘globalization,’ and, most saliently, the inherent shortcomings of attempting to encompass large, distinct, and complicated social dynamics within a single concept. To demonstrate this, I show that two prevailing approaches to ‘globalization’ in sociology: World-Systems analysis and World Society theory, are vulnerable to internal contradictions and counterarguments. In the case of World-Systems analysis, I show that the argument that ‘globalization’ represents a novel stage in the World-System that has fundamentally altered social life (Robinson 1996) has not been borne out in hindsight (Abdal & Ferreira 2021). In the case of World Society theory, which holds that a

developed countries exert a cultural pressure on the rest of the world, causing organizations to conform to a rationalized model (Meyer et al. 1997; Meyer 2000), I provide counterexamples to show that while such cultural pressures are significant drivers of institutional change, the outcomes of organizational forms are varied, contingent, and not always accurately predicted by a universal theory (Gupta 2012; Ang 2020; McDonnell 2020).

‘Globalization,’ as subject to a macro-level theory, has proven stubbornly opaque. To gain analytical clarity, I argue that it is necessary to revisit the theoretical assumptions within historical sociology that produce such theories. ‘Globalization’ is, either implicitly or explicitly, understood as a stage in history; for there to be an era of ‘globalization,’ it must be preceded or succeeded by an era that is not globalized. However, the stagist approach to conceptualizing history has, I argue, a significant shortcoming: it cannot simultaneously describe chunks of history while also accounting for social action. Traversing the vastly different scales of explanation is impossible. This is the shortcoming evident in the approaches of World-System analysis and World Society theory, which purport to explain large-scale social transformation, but are inevitably vulnerable to discrete counterarguments that focus on a smaller scale.

This is not just an analytical problem, but a philosophical problem with the practice of social science. By creating elaborate theoretical models that span space and time, theorists create an ontological division between the worlds they inhabit, and the worlds they create. Thus, explanations of social action consist of ‘slotting-in’ the actor into the dynamics of the theoretical model. This creates a problem, because one does not generally explain their own social action in reference to the dynamics of a theoretical model, but rather to personal agency and judgment. Historical sociology, I argue, should not create explanations of social action that contradict how people tend to explain and understand their own behavior.

To solve this problem requires shifting the philosophical underpinnings of social analysis. Instead of conceiving of social objects as having a predetermined ‘essence’ that can be abstracted out of historical context, analysis should conceive of social objects as being co-constituted by perception and context. That is, a social object is only a durable entity in relation to a specific social context. The social context does not act on the person, rather, the person and the context are co-constitutive of one another. In this relational approach (Emirbayer 1997), the social things are constituted by their relations with the people and contexts around them, rather than possessing an essential nature in isolation. This solves the problem of ‘slotting-in’ social action, because social action is explained in terms of an ongoing process of constituted between one’s context and one’s perception of one’s context, rather than an overarching set of dynamics that determine behavior.

A relational theory of globalization, then, conceives of the social object as co-constituted by one’s perceptions and one’s social context. It is not a dynamic ‘out there’ in the social world acting on people, rather it is the product of the perception of the dynamic by social actors, and its subsequent linguistic construction. An investigation of the dynamics, therefore, involves tracing the origins of its linguistic construction. However, the word ‘globalization’ itself does not suffice, as euphemisms may have been employed previously to describe the same dynamics. Moreover, as economic historians have noted (Polanyi 1944; Arrighi 1994; Sachs 2020), societies routinely go through periods of expansion and contraction, during which relations between societies may increase in proximity in a manner akin to ‘globalization.’ Thus, perceptions of these dynamics could hypothetically be traced back to early human civilizations.

I argue that if one were to conduct such an investigation, one would be best served by examining the perceptions of people professionally-oriented towards managing interstate

relations: diplomats. Diplomats are charged with representing one's society in relation to others (Black 2010), and are thus inclined to detect shifts in the fabric of those relations. Thus, the process of co-constitution between perception and context would likely be found amongst diplomats. Thus, I conduct a brief overview of the history of diplomacy, paying specific attention to the cultural shifts in the institution over time. In the relational spirit, perceptions are understood as products of social contexts; thus, the professional culture of diplomacy is likely to affect the perceptions of interstate relations.

To construct a relation theory of contemporary 'globalization,' I trace the culture of American diplomacy between the Second World War and the height of 'globalization' in the early 1990s. I show that there was a struggle over the prevailing culture of diplomacy (by then called 'foreign policy) between 'Practical Men,' whose suspicion of the Soviet Union drove them to wage the Cold War, and 'Foreign Policy Experts' (FPEs) who were perceiving complex changes in the international environment beyond the antagonistic relationship with the Soviet Union. Initially called 'integration,' they developed a new diagnosis in the 1960s called 'interdependence,' which eventually became 'globalization.' In the process of conceptualizing 'globalization,' I show how the FPEs sought to orient American foreign policy away from the Cold War, in a bid to wrest influence over American foreign policy from the Practical Men.

The First Case Study

The first case study develops the relational theory of contemporary 'globalization' by beginning with a study of George F. Kennan: Director of the Policy Planning Staff in the State Department following the Second World War. This choice of historical moment reflects the important geopolitical inflection point that was the Second World War and the importance of the

institutions developed in its wake for the succeeding years in international politics. The dynamics that would begin in earnest during this period: a stable peace, and increasingly close political and economic relations between Western Europe, the United States and Japan, would eventually culminate in the perception of 'globalization' decades later.

However, during this period these dynamics were nascent. Kennan was chosen for this case study because he was an early detector of them, and argued that they demanded the focus of American foreign policy. He was, however, in the minority. The Practical Men who had shepherded the United States through the Second World War now held positions of power in American foreign Policy: former Wall Street financier James Forrestal was the Secretary of Defense, former lawyer Dean Acheson was the Deputy Secretary of State, financier Robert Lovett was the Deputy Secretary of Defense, amongst other such figures. Despite differences in approach, they were generally united around a suspicion of the Soviet Union, and proponents of the rearmament program that the United States undertook following the National Security Act of 1948 to wage the Cold War (Hogan 1998).

From his position as Director of the Policy Planning Staff, Kennan voiced numerous objections over the course of his tenure, and he felt American foreign policy slid the country deeper into the Cold War. He was especially concerned that relations with Western European countries would be managed on the basis of creating an 'Atlantic' alliance to create a strong front in the Cold War. For Kennan, these relations should be managed with the future stability of international relations in mind. The United States and Western Europe were 'integrating,' which brought up for Kennan the fundamental problem of sovereignty in the international system; the question of where political authority lay was being wrenched open by the increasingly proximate relations between countries. The Marshall Plan made the United States Western Europe's and

Japan's financier, Western European was pursuing multiple schemes of political and economic unity, and the Atlantic Treaty (later renamed NATO) made an attack on one its members an attack on all. For Kennan, these changes, which he grouped under 'integration,' were the defining foreign policy question of the time, but were being managed improperly, in service of the Cold War rather than America's interest in international stability.

Kennan's vision, however, did not come to pass. Tensions within the state department led to his resignation as the Director of the Policy Planning Staff. His replacement, Paul Nitze, was instrumental in developing NSC-68, a document that articulated an aggressive strategy to confront the Soviet Union, framing relations with Europe within the context of the Cold War. Thus, where Kennan was an early detector of the dynamics that would eventually become 'globalization,' his views were swallowed up by the Cold War, and little came of them. It would be another decade before American FPEs began to fill out the initial arguments articulated by Kennan.

The Second Case Study

The second case study picks up the narrative in the 1960s. Following Kennan's resignation from the PPS in 1950, American foreign policy leaned into the Cold War in earnest (Craig & Logevall 2009). Over the course of the decade, an expanded Department of Defense invested significant funds in research institutes to supply policymakers with knowledge and technology to wage the Cold War (Rohde 2013; Wolfe 2013). This created a new type of foreign policy professional: one with an advanced degree who could inform the increasingly technical aspects of policymaking, including intimate knowledge of different geographical areas, the

psychology of nuclear deterrence, the intricacies of the Soviet political system, calibrating propaganda to be maximally effective, and so on.

Where this new crop of professionals began to exert influence over American foreign policy, the Practical Men still maintain a firm grasp on its highest rungs. As demonstrated by historical accounts of the period (e.g. Halberstam 1969; Vaisse 2018), the Practical Men were the driving force behind the build-up to the War in Vietnam over the course of the 1960s. However, some members of this professional group began to climb the rungs of American foreign policy, earning for themselves memberships in prestigious institutions such as CFR. This included Zbigniew Brzezinski, who was made a member in 1960, and Henry Kissinger, who became a member a few years previously.

CFR itself began to lean more on its research arm. After conducting a large study of the postwar environment during the Second World War, and a few smaller scale studies during the 1950s, it undertook a major study venture in the 1960s titled the ‘Atlantic Policy Studies Series’ (APSS). The objective of the APSS was to evaluate the state of relations with Western Europe. Where Kennan had sensed that ‘integration’ between Western Europe and the United States was taking place in the late 1940s, by the 1960s this dynamic had accelerated, as trade, finance and diplomacy across the regions had increased markedly. However, as Kennan had predicted, this was causing problems. Governments were beginning to feel that their sovereignty was under threat, particularly in the shadow of the United States, which had consolidated its position as the undisputed leader of the capitalist world. European governments were beginning to chafe at its overbearing influence, culminating in a strain of thought labeled ‘Gaullism,’ named after the French politician Charles De Gaulle who sought to bolster European power and to detach from the American orbit.

In this context, the participants of the APSS were charged with evaluating the state of ‘Atlantic’ relations. The result of this Study Series produced a leap forward in the conceptualization of the dynamics that Kennan had referred to as ‘integration,’ which they would call ‘interdependence.’ The word was coined by economist Richard N. Cooper, who argued that ‘integration’ failed to capture the scope of the changes taking place: more than formal integration of economies and political functions, societies were becoming more sensitive to changes taking place in other societies (Cooper 1968). For Brzezinski, this dynamic was the product of a shift from an industrial society to a ‘technetronic’ society, in which new technologies of electronic communication were fundamentally altering the relationships between societies, imperiling the existing fabric of international relations (Brzezinski 1970).

Out of the APSS, both Cooper and Brzezinski came to the conclusion that interdependence had to be addressed on the international level. Governments would increasingly be affected by dynamics in other societies over which they had no control, threatening perceptions of autonomy (Cooper 1968). This would nurture protectionist impulses, which if carried out could threaten to throw the entire international system into a spiral of retaliatory jabs, threatening the very fabric of international society. Thus, they believed that governments had to address interdependence collectively, on the international level. Acting in concert, they could manage it with greater intention. Brzezinski envisioned a coalition of developed countries pooling their economic and political resources to manage this new phenomenon (Brzezinski 1970).

For them, this was a greater imperative than waging the Cold War. Brzezinski (1970) argued that tensions with the Soviet Union could be managed through arms control negotiations, and even proposed creating an economic union with Eastern European countries during the

APSS, which would eventually welcome the Soviet Union, though the idea was quickly shut down (Brzezinski 1965). Rather than seeing international politics as a bipolar contest between rival powers, they saw an increasingly complex web of interconnections. Moreover, where the Practical Men were most focused on confronting Communism: the Soviet Union in Eurasia, the Communist Parties in China and North Vietnam, the new professionals were most concerned with Western Europe, where the dynamics of interdependence were most pronounced.

Over the course of the subsequent years, this group would argue that American foreign policy should turn away from the Cold War and towards interdependence. I call this group ‘Foreign Policy Experts,’ (FPEs) to distinguish them from the Practical Men in the foreign policy space, and to convey their distinct background as holders of advanced degrees. Like Kennan, they adopted an analytical approach to international politics. Where Kennan expounded his theories in long memos in the PPS, the FPEs produced large volumes of scholarship dedicated to developing the paradigm of interdependence. Following the War in Vietnam in the early 1970s, the direction of American foreign policy was open to influence, as the War became increasingly unpopular, and relations between the United States and the Soviet Union improved as a result of an arms control agreement.. Presidents Nixon and Ford began to adopt some of the language of interdependence in their political rhetoric. Brzezinski founded the Trilateral Commission in 1973, which was dedicated to fostering close ties between the United States, Western Europe and Japan to realize Brzezinski’s vision for an international system managed collectively. Future President Jimmy Carter joined the Commission, and when he was elected he drew his foreign policy leadership from the organization (Vaisse 2018).

Thus, during the 1970s, interdependence became a prominent paradigm underpinning American foreign policy. However, over the course of the decade the FPEs suffered significant

political setbacks that would prevent interdependence from becoming a durable paradigm. In the realm of monetary policy, the FPEs sought to reconstruct the Bretton Woods international system, which was a system of fixed exchange rates, whose values were collectively-arranged in consultation with the International Monetary Fund (IMF). However, following its collapse in 1971, governments failed to adopt a new system of fixed rates, and currencies began to float against each other, absent an international system of management, undermining their preference for a collective approach. In the political realm, the FPEs sought to create more cooperation on economic policy across governments. As leaders of the Carter administration, they sought to recruit Germany and Japan in a joint program of fiscal expansion to lift the global economy out of a recession, thereby demonstrating the efficacy of their collective approach (Biven 2002). However, they only managed tepid support from the leaders of Germany and Japan, and their program failed to generate much momentum. Lastly, the Cold War re-emerged as a policy problem in the late 1970s following an invasion of Afghanistan by the Soviet Union, which prompted President Carter to declare a new phase of the Cold War in his State of the Union speech in 1980. When President Regan was sworn in the following year, he restarted the arms race with the Soviet Union, re-centering the Cold War in American foreign policy and subordinating interdependence.

The Third Case Study

The third case study traces the transition from ‘interdependence’ to ‘globalization.’ The FPEs were not responsible for this shift in nomenclature. However, as the case study will demonstrate, ‘globalization’ picked up where ‘interdependence’ left off in the late 1970s. Where

the term faded in popularity as a result of the resurgence of the Cold War, at the conclusion of the conflict, the concept once again became a prominent way to conceptualize the international environment, albeit with a different name.

Part of the shift in language reflected the diminished ambitions of the FPEs, Where ‘interdependence’ was billed as a wholesale shift in the focus of American foreign policy away from a military-security approach to the world, towards a diplomatic-economic approach, ‘globalization’ was associated much more with the economic side of policy. American foreign policy retained elements of the military approach used during the Cold War, exemplified by the shift towards the Gulf War in 1991. Correspondingly, the FPEs who remained active in promoting ‘interdependence’ were on the economic side of foreign policy. Where Brzezinski largely dropped out of this project, Bergsten founded the Institute for International Economics (IIE) in 1981, a think tank which sought to inform government policy on international economic matters.

Where in the early 1980s, the Reagan administration was focused on the Cold War and put international economic matters to one side, with the appointment of James Baker as Secretary of State in 1985, it began to re-engage with international economics, and leant on the IIE for policy advice (Funabashi 1988). It confronted two main policy challenges: the first was the volatility of exchange rates, which it addressed through a multilateral agreement with Germany and Japan to manage exchange rates within certain parameters (Funabashi 1988). The second was a debt crisis in Latin America, which it managed through making the disbursement of rescue loans from the IMF contingent on adopting macroeconomic reforms focused on reducing the role of the public sector and opening borders to goods and capital (Kentikelenis & Babb 2019). This approach to managing international economic problems diverged from the

collective approach preferred under the ‘interdependence’ paradigm, which proved politically-difficult, focusing instead on pressuring governments to adopt economic reforms conducive to international economic stability; hallmark of economic management under globalization, often called the ‘Washington Consensus’ in the literature (Babb 2013; Kentikelenis & Babb 2019; Babb & Kentikelenis 2021).

In the United States, the FPEs were concerned that large government deficits, which grew as a result of tax cuts and increased military spending, would destabilize the value of the dollar and thus the global economy. They recommended that the government pursue deficit reduction, and pursue economic growth not through government spending but through exports (Bergsten 1988). This approach was adopted by the Clinton administration in the early 1990s (Summer 1994; Rubin 2002). Thus, the chapter demonstrates the origins of the policies of fiscal restraint and open borders to goods and capital commonly-associated with ‘globalization’ to the FPEs. This thus bears out the relational theory of globalization: a process of ongoing perceptions of the international environment, influenced by the dispositions of the actors and their immediate contexts, culminating in the apogee of the phenomenon in the early 1990s.

Preview of the Dissertation

The dissertation is structured as follows. The first chapter begins by problematizing globalization as a social fact. I discuss the instability of the concept amidst the sheer variety of definitions and theoretical approaches to understanding it. I then dive more deeply into two prevailing approaches to globalization in sociology: World-Systems analysis and World Society theory, arguing that these approaches fail to reconcile the all-encompassing nature of the

dynamic with the ambiguities of social action, and the contingency of historical events. I then turn to a relational theory of globalization, beginning with a discussion of relational versus substantive theories of social objects. I subsequently turn to a theoretical discussion of globalization as a relational social object, conceptualizing it as a way of describing an international environment, made available to people in specific historical contexts. Thus, I argue that scholarly investigations of globalization are best done by analyzing how social actors have understood globalization, rather than attempting to define globalization as a social fact. Subsequently, I trace the emergence of globalization as a relational social object over time, beginning with the earliest conceptions of nation-states and international relations in human history, demonstrating that globalization is intertwined with conceptions of state formation and interstate relations. I also demonstrate that societies have long institutionalized social roles dedicated to managing interstate relations; often called ‘diplomats,’ and suggesting that fruitful investigations into globalization focus on them, because of their professional obligation to manage changes in interstate relations.

The following chapters correspond to the three case studies of American foreign policy experts, and their efforts to conceptualize globalization; beginning in the aftermath of the Second World War, and culminating in the widespread adoption of the concept in the early 1990s. This section functions as a genealogy of the concept of globalization, showing how the same conceptualization of the international environment was held across time, despite changes in its label. The first case study follows George F. Kennan, Director of the Policy Planning Staff in the State Department, as he sought to orient American foreign policy towards the nascent dynamics of ‘integration’ in the late 1940s, and away from the growing tensions with the Soviet Union. The second case study begins with a subsequent generation of foreign policy experts who, in the

1960s and 1970s, developed a more elaborate theory of the changing international environment, which they called 'interdependence.' The final case study follows these same experts through the 1980s, as 'interdependence' becomes 'globalization.' Through this genealogy, I explain the origins of the contemporary notion of 'globalization' as conceptualized by social actors who articulated the concept to describe a changing international environment, thereby providing an explanation of 'globalization' as a relational social object.

Chapter 1

A Theoretical Critique and Reorientation of ‘Globalization’

This chapter outlines a relational theory of globalization. It is broken up into three sections. Section I is devoted to a substantive critique of ‘globalization,’ which includes a review of the literature on ‘globalization,’ and transitions into a deeper discussion of two common approaches to the concept in sociology: World-Systems analysis and World Society Theory. Section II moves into a theoretical reorientation of globalization, discussing the philosophical underpinnings of the prevailing sociological approaches to ‘globalization,’ and suggesting an alternative approach based on relational social theory. Section III sketches the contours of a relational theory of globalization, and deploys the theory to introduce the case studies in the following chapters.

I.I A Substantive Critique of ‘Globalization’

This section is devoted to a substantive critique of ‘globalization.’ To prime the analysis, subsection I.Ia introduces the concept of globalization as it is generally understood in popular work. Subsection I.Ib turns to its social scientific construction, and highlights the tension between the sheer variety and generality of theoretical approaches and definitions on the one hand, and analytical clarity on the other. Subsection I.Ic outlines prevailing conceptualizations of ‘globalization’ amongst analysts of the ‘World-System,’ drawing out the tensions and contradictions amongst the different theorists to demonstrate the difficulty of upholding the integrity of the concept within the framework of the World-Systems approach. Subsection I.Id outlines the theory of a ‘World Society,’ which purports to describe how globalization ‘works.’

arguing that the complexities of granular, local social dynamics belie the veracity of a singular global culture.

I.Ia The Era of Globalization

In 1999, public intellectuals Thomas Friedman and Naomi Klein both published books on ‘globalization.’ The title of Friedman’s work, *The Lexus and the Olive Tree*, was a metaphor for how he saw the world changing: “half the world,” he wrote, “seemed to be emerging from the Cold War intent on building a better Lexus, dedicated to modernizing, streamlining and privatizing their economies in order to thrive in the system of globalization.” And the other half was clinging to their identities, their tradition, their land; the olive tree, which “are what give us the warmth of family, the joy of individuality, the intimacy of personal rituals, the depth of private relationships, as well as the confidence and security to reach out and encounter others (Friedman 1999: 50).”

Despite this tension, Friedman was optimistic. “Many world markets,” he wrote, “are only recently freed, governed for the first time by the emotions of the people rather than the fists of the state. From where we sit, none of this diminishes the promise offered a decade ago by the demise of the walled-off world. The spread of free markets and democracy around the world is permitting more people everywhere to turn their aspirations into achievements. And technology, properly harnessed and liberally distributed, has the power to erase not just geographical borders but also human ones. It seems to us that, for a 10-year-old, the world continues to hold great promise (Friedman 1999: 12).”

By contrast, Klein’s *No Logo* was a call to action against ‘globalization.’ “The title *No Logo*,” she wrote, “is an attempt to capture an Anti Corporate attitude I see emerging among many young activists. This book is hinged on a simple hypothesis: that as more people discover

the brand-name secrets of the global logo web, their outrage will fuel the next big political movement, a vast wave of opposition squarely targeting transnational corporations, particularly those with very high name-brand recognition (Klein 1999: 15).” That same year, activists gathered in Seattle to protest the meeting of the World Trade Organization; the institutional representation of the faceless spread of capitalism at the expense of local cultures.

Though Klein and Friedman’s politics were opposed, their analyses were directed towards the same thing: ‘globalization.’ They coalesced around the presumption that ‘globalization’ was an active social process appropriate term to describe the social change they were experiencing. They were not the only ones. A Google Books Ngram reveals that 1999 was the middle of a rapid surge in the use of ‘globalization.’ The use of the term was near zero until the early 1990s, where it suddenly exploded in use, peaking in 2005.

There were several significant events during this period that are associated with the term. Perhaps the most salient is the ‘End of History’ thesis (Fukuyama 1989): the conclusion of the Cold War and the consolidation of American global hegemony were intertwined with the feeling that liberal democracy was the final form of human social organization, and would inevitably spread across the world, spreading peace and prosperity with it. As Fukuyama himself (1995) subsequently took great pains to clarify, this was a common misinterpretation of his thesis, which was a much more limited argument. Nevertheless, the misinterpretation is telling. Where Fukuyama argued that his critics were scapegoating him, they were perhaps responding to a prevailing cultural sentiment, to which the misinterpretation of Fukuyama’s thesis gave a language.

This misinterpretation was buttressed by the emergence of East Asia as a significant global economic engine. Japan’s economic rise was recognized several decades earlier (e.g.

Brzezinski 1972), but it was during the early 1990s that South Korea (Amsden 1989), Taiwan (Wade 1990) and China's (Arrighi 2007) consolidation of developed economic status became clear. No longer was prosperity an exclusive property of Western Europe and the United States; the rise of the so-called 'Asian Tigers' created a sense that liberal capitalism would bring prosperity to the countries that would embrace it.

This feeling was articulated in the establishment of the 'Washington Consensus'; a phrase coined by economist John Williamson to describe a set of policy prescriptions, primarily for debt-laden countries, to receive loans from the International Monetary Fund and the World Bank (Babb 2013). The prescriptions largely focused on free-market reforms, including privatization of domestic institutions, and opening borders to goods and capital. Kentikelenis & Babb (2019) describe this set of policies as synonymous with the "political-intellectual" project of 'neoliberal globalization'; a concrete representation of the prevailing faith in markets. This policy paradigm was the backdrop for the North American Free Trade Agreement (NAFTA), reached between the United States, Canada and Mexico in 1994, which allowed goods and capital to flow freely across the three countries. In her book on American trade policy, Nitsan Chorev identifies NAFTA as part of a period of "legalized multilateralism" between 1994 through 2004 that represented the culmination of an evolution in American trade policy from "protectionism" to "globalization (Chorev 2007)."

Faith in free markets also paved the way for the re-emergence of an international financial industry. Culturally, the height of this trend was associated with the resurgence of a capitalist spirit under President Reagan, symbolized by the 1987 movie *The Wolf of Wall Street* which glamorized the industry. The international market for money was itself stabilized by the Basel Capital Accord (Major 2012), reached in 1988, which set minimum requirements for

capital holdings, curbing a period of financial instability. As Helleiner (1994) argues, the Basel Capital Accord is comparable to the Bretton Woods agreement in seeking to curb the instability of international finance, but diverged by being “pro-market”; facilitating the growth of international finance during this period.

Political institutions were also being repurposed to create new markets. The European Union, which was founded in 1993, established a common currency for member states, and free movement of goods, capital and people across borders, alongside other integrative measures. As Fligstein and Stone-Sweet (2002) argue, the European Union had the effect of not only dissolving national boundaries of governance, but of creating new forms of supranational governance, thereby representing a novel experiment in social organization by transferring sovereignty from the national to the supranational level.

‘Globalization’ was not just an economic and political phenomenon, but a cultural one as well, facilitated by the beginnings of the internet. It spread rapidly over the course of the 1990s, as more homes and businesses used personal computers with web browsers. E-mail became a widely-used tool, enabling instant communication across time and space. Friedman observed that national borders no longer served as barriers to the flow of knowledge and information, leveling the global playing field and making “Bangalore a suburb of Boston (Friedman 2005: 57).”

This subsection has covered the popular conceptualization of globalization; its association with a discrete historical period and a set of events. It is meant to convey a conceptualization of the concept that is well-known and popularly understood. However, as the following subsection argues, when the concept of globalization is applied in a social scientific context, its meaning becomes much less clear.

I.Ib The Trouble with Globalization in the Social Sciences

‘Globalization’ was a popular topic in the social sciences in the 1990s and early 2000s. As sociologist Zygmunt Bauman (1998) put it: “‘Globalization’ is on everybody’s lips; a fad word fast turning into a shibboleth, a magic incantation, a pass-key meant to unlock the gates to all present and future mysteries.” Changes in several spheres of social life, including the end of the Cold War, the explosive growth of international finance, and the emergence of new communications technologies, gave a sense that something fundamental about society was changing.

Early wrangling over the concept in sociology centered on the question of just how fundamental of a social transformation it was. Immanuel Wallerstein (1991), who developed World-Systems analysis, regarded the geopolitical and cultural shifts occurring in the wake of the Cold War’s end as the predictable unfolding of the existing dynamics of the World-System; the intensification of social economic and political relations would ebb and flow just as it had in the past. This became the basis for other sociologists to assert that ‘globalization’ was a substantive phenomenon that warranted analytical attention. Robertson (1992) argued that because Wallerstein’s ‘World-System’ began as a small European trade network and expanded through colonialism, it did not actually refer to the whole world, and thus failed to capture the transformation precisely because something ‘global’ was happening; a novel level of intensity and scope of the intensification of human relations that could not be explained away by reference to past instances of increased interconnectedness. Giddens (1990) objected that World-Systems analysis granted primacy to economic dynamics, explaining social phenomena in other spheres of life in reference to them. In his view, this was not solid analytical ground to capture the tectonic shifts occurring in the realms of politics and military relations, which required separate

analytical attention. ‘Globalization,’ in his view, encompassed dynamics in four dimensions of social life: capital, labor, politics and the military.

Since then, scholarship on the topic exploded. The breadth of topics under the heading of ‘globalization’ that sociologists have addressed is very wide, including but not limited to: the evolving role of international financial institutions (Babb 2005, 2009; Chorev 2005, 2007; Chorev & Babb 2009; Kentikelenis & Seabrooke 2017; Kentikelenis & Babb 2019), how globalization affected the configuration of global economic and political power (Robinson 1996; Chase-Dunn et. al 2000; Hardt & Negri 2000; Wade 2011), how globalization affected cities (Sassen 2001; Alderson & Beckfield 2004), the role of ideologies promoting economic and political globalization (Fourcade-Gourinchas & Babb 2002; Babb 2001, 2013; Dezalay & Garth 2002; Fairbrother 2014), and the impact on domestic governance and inequality (Alderson & Nielsen 2002; Amin 2014; Brady et. al 2007; Dobbin et. al 2007; Evans 1997; Hung & Kucinskas 2011; Major 2013; Polillo & Guillén 2005).

With the branches of ‘globalization’ scholarship growing further apart, the concept reached ever-greater levels of abstraction to encompass its expanding list of features. Beckford’s (2003) definition of ‘globalization’ captures its general nature:

“The growing frequency, volume and interrelatedness of cultures, commodities, information, and peoples across both time and space. The increasing capacity of information technologies to reduce and compress time and space (giving rise to notions such as the global village). The diffusion of routine practices and protocols for processing global flows of information, money, commodities and people. The emergence of institutions and social movements to promote, regulate,

oversee or reject globalization. The emergence of new types of global consciousness or ideologies of globalism that give some expression to this social interconnectedness such as cosmopolitanism.”

However, scholars in the field, such as Barrie Axford and Paul James, lament that little substantial theoretical progress has been made beyond this point (Axford 2013; James 2018), and the excitement regarding the concept itself has receded since its apogee in the early 2000s. Axford argues that the lack of theoretical progress is partially a function of the overly-inclusive nature of the concept. To reconcile dynamics in the realms of politics, economics and culture, which cover the entirety of human society, is a tall order for one concept. The appetite to construct such an encompassing theory has also dwindled over time as the postmodern suspicion of grand theoretical explanations has grown (James 2018: 9).

Hindsight also sheds some light on the ‘globalization’ fervor in the social sciences. The feeling during this period was that there were changes occurring in so many different areas of social life, and they seemed to reach every corner of human society, that social scientists would have to rethink social organization entirely. Today, the study of ‘globalization’ has morphed into a loosely-connected field of ‘Global Studies,’ spanning multiple disciplines, that encompasses a wide array of theoretical approaches and empirical topics, bound by a commitment to study ‘global’ processes (Juergensmeyer et. al 2018). This is possibly the result of the complexity of the dynamics encompassed by the concept of ‘globalization’ overwhelming the capacities of a single theory, and the impulse to dissect social transformation by dedicating analytical attention to more circumscribed areas of social life.

But the initial attempt to theorize an all-encompassing global social transformation has struggled to bear fruit. Many of the changes perceived at the time were more fleeting than were expected. Nationalism and the centrality of nation-states to social organization in particular proved doggedly persistent. Even in the economic realm, the previous sense of inevitability that global trade will continue to deepen has eroded, as the two largest economies are pursuing a partial decoupling (Hirsch 2022); the world does not seem destined to become a single, frictionless economic unit. These theories failed to reconcile the complexity of a supposedly unitary phenomenon. The economic, political and cultural dimensions of globalization proved too complicated in and of themselves to encompass in a single theory.

In the remainder of this section, I make the argument that ‘globalization’ does not work as an analytical concept by presenting counter arguments to the two most important theoretical orientations in international sociology: World-Systems analysis and World Society. In the case of the former, I argue against Robinson’s (1996) theory that ‘globalization’ represents a stage of the World-System, thereby demonstrating that it does not fit into the temporal logic of the theory. In the case of the latter, I use examples of cases that contradict the argument of World Society, thereby demonstrating that it does not accurately describe the world.

I.Ic World-Systems Analysts on ‘Globalization’

World-Systems analysis is a method of patterning history. Though the details differ amongst its adherents, they generally employ a combination of stages and cycles to organize social time. Wallerstein, for example, argues that the World-System has moved from an agriculturalist, to mercantilist, to an industrial stage (Wallerstein 1979). Arrighi (1994) employs cycles to pattern history, arguing that history consists of decades-long periods of hegemonic

control of the World-System with a corresponding “cycle of accumulation”, punctuated by periods of crisis of accumulation and accompanying hegemonic conflicts.

The question of how ‘globalization’ fits within the World-System is analytical; whether it fits into the pattern the analyst employs. In this subsection, I will argue against William I. Robinson’s (1996) work *Promoting Polyarchy* which argues that it does, using the work of other World-Systems analysts who have a different view. This subsection is not an argument against World-Systems analysis itself (which will come later), rather an argument against the inclusion of ‘globalization’ as a stage of the World-System using the World-System paradigm. My intention is to show that ‘globalization’ as a historical stage does not fit into one of sociology’s dominant approaches to patterning history.

Robinson (1996) argues that ‘globalization’ represents a “qualitatively” new stage in the World-System, which he defines as follows:

“Globalization comprises two interwoven processes. First is the culmination of the process begun several centuries ago, in which capitalist production relations are undermining and supplanting all pre-capitalist relations across the globe, in those areas specializing in manufacturing or services and those in primary production. Second is the transition over the past several decades from the linkage of nations via commodity exchange and capital flows in an integrated international market, in which different modes of production coexisted within broader social formations and national and regional economies enjoyed autonomy despite external linkages, to the globalization of the process of production itself.

This involves the restructuring of the international division of labor and the reorganization of productive structures in each nation.”

In short, he defines ‘globalization’ as the shift from a system of global production based around nation-states to one based on value and efficiency. Divisions of labor previously determined by national political boundaries give way to an international division of labor based on the interests of a transnational capitalist class (TCC). As he explains it: “The agent of the global economy is transnational capital, organized institutionally in global corporations, in supranational economic planning agencies and political forums, and managed by a class-conscious transnational elite based in the core of the world system (Robinson 1996: 33).”

In Wallerstein’s view (2000), the word ‘globalization’ is largely a fiction imposed by powerful groups. The dynamics referred to as ‘globalization’ are part of a transition that is taking place over a much longer time span; beginning in 1450, at the genesis of the capitalist world economy, which is now entering a period of ‘terminal crisis.’ He predicts a roughly fifty-year period of crisis and transition into a novel world order, the substance of which is unknown and open to human influence. Wallerstein is dismissive of the concept of ‘globalization’; he does not explicitly argue against it, but rather presents his argument for why the capitalist world economy is itself in crisis.

Wallerstein’s interpretation differs from Robinson’s. Where Robinson sees the beginning of a new phase in the World-System, Wallerstein sees the beginning of the end. Some of the dynamics that Wallerstein points to which are interpreted to signal the ‘terminal crisis’ are the same ones that Robinson understands to be evidence of a new phase of the world system. As the division of labor becomes globalized, capitalists are forced to incorporate workers in more

far-flung areas of the world to work for low wages in order to continue accumulating capital. But as the capitalist world-system incorporates the entire world, the number of workers willing to work for low wages are dwindling, adversely affecting capital accumulation. Where Robinson sees this as evidence of a new stage in the World-System, Wallerstein sees it as a crisis for it. The second dynamic is the rising costs of material inputs. To keep these costs low, capitalists will “externalize” them, imposing them on society. This is largely seen in the environmental sphere; the noxious byproducts of producing energy, for example, contaminate the air and warm the planet. Wallerstein argues that the world has reached its ecological limit and is thus no longer able to absorb these costs.

While both authors coalesce around the existence of these dynamics, their conclusions differ sharply due to their distinct temporal logics. Because Robinson sees these dynamics as evidence of a new stage in the World-System, he does not see them as evidence of a structural crisis, but rather open-ended dynamics that will unfold in lockstep with the new stage of history. He adopts Wallerstein’s World-Systems model, and translates it for a novel status quo. Wallerstein, by contrast, closes the book on his own theoretical model, arguing that these dynamics represent the beginning of the end. Given that Wallerstein predicts that the ‘terminal crisis’ of the World-System will reach its zenith a few decades from now, we cannot yet know whether his theory will be vindicated by time. However, there is reason to believe that his view that ‘globalization’ does not represent a new stage of the World-System has merit, as will be discussed below.

A less theoretical and more substantive divergence from Robinson comes from Giovanni Arrighi, in his (2007) book *Adam Smith in Beijing*. Rather than seeing a new stage in the world system, Arrighi sees a shift to a different center of global production. As he writes: “when the

history of the second half of the twentieth century will be written in such a longer perspective, the chances are that no single theme will prove to be of greater significance than the economic renaissance of East Asia (Arrighi 2007: 1).” It is not the globalization of production that is the central dynamic of this period, but economic growth in East Asia.

Arrighi argues that the United States faced a crisis of hegemony in the 1970s, and solved it in the 1980s by rearming itself and chasing financial capital. This resulted in the resurgence of American hegemony in the 1990s, but it increased its dependence on foreign investors for its continued economic growth, which benefited China enormously. This, alongside the failure of the War on Terror, sowed the seeds for China’s rise. Arrighi does not provide too many details regarding the predicted shape of the new global order, but he suspects that it will likely be multipolar, with centers of power in the United States, Europe and East Asia, and the political architecture of the system will likely be a hybrid of the current Western order, and the earlier China-centered system.

Arrighi sees more continuity in the World-System than Wallerstein or Robinson. The World-Systems model predicts tenures of decades-long hegemony by core states, inevitably punctuated by crises, a turbulent period of transition, and the emergence of a new hegemon. Arrighi’s prediction somewhat matches the theory, though multipolarity and hybridity are novel elements. Wallerstein predicts the end of the capitalist world system, while Robinson thinks it is moving onto a new stage.

The fundamental divergence between Arrighi and Robinson is on the continued centrality of nation-states in the World-System. Robinson sees a diminishing importance in the face of the rise of the TCC, whereas Arrighi sees the rise of China as a central dynamic shaping the world system, implying that interstate relations will continue to shape it. Arrighi’s outlook is

somewhat normatively positive, predicting parity between civilizations as the realization of a vision of global equality articulated by Adam Smith in the *Wealth of Nations*, whereas Robinson sees a world in which the TCC engineers global production in its own interests, outside of democratic accountability, the implication being that such a system will likely exacerbate inequality.

As previously argued, part of the meaning of ‘globalization’ is reference to a specific historical moment that we are no longer in. Therefore, on balance, it seems as though Arrighi’s vision of the continued forward march of the World-System is somewhat vindicated. Not necessarily the realization of the multipolar world order, which has yet to emerge if it ever will, but the dynamics of political hegemony continuing to shape international politics, rather than just the influence of a TCC.

This is outlined in Abdal & Ferreira (2021). The article argues that the World-System is entering a phase of ‘deglobalization.’ They call the period between 1980 and 2008 a “specific globalization project” spearheaded by the United States, which ended with the Great Recession. The subsequent years, including the present, are characterized by a reversal of this dynamic, which they describe as “cooling the pace of integration, stagnation or even shrinking integration in the productive and commercial spheres vis-a-vis relative change in the financial sphere.” They draw on the KOF Globalization index, which they describe as measuring integration on three dimensions: economic (commercial and financial), social (interpersonal, informational and cultural), and political. They observe that the index measures rapid acceleration between 1990-2008, and subsequent stagnation.

They attribute this slowdown to three primary dynamics: (1) the American retreat from the commitment to the integration process. They note that American presidents Trump and Biden

have both waged a trade dispute against China, have increased the deployment of trade barriers, and in President Biden's case have made significant steps towards reindustrializing the domestic economy. The second (2) is the emergence of China as a global economic power. This both deepens the American crisis of hegemony, forcing it to reprioritize its national interests, and creates a new multipolar geopolitical configuration. The third (3) is the COVID-19 pandemic, which introduces risks into the global economy and thus deepens the incentive to reshore production. Abdal & Ferreira's conclusion mirrors Arrighi's more closely than Wallerstein's or Robinson's. They observe a continuation of the capitalist world-economy, with the emergence of a multipolar geopolitical order.

The two central divisions between Robinson on the one hand, and Arrighi and Abdal & Ferreira on the other, is over whether (1) the World-System has entered a qualitatively new stage based on the globalization of production, and whether (2) the configuration of global power is a TCC or a state-led multipolar world. The latter authors have the benefit of greater hindsight, so it is unsurprising that their theories are more accurate. It is noteworthy that Robinson's book was published in 1996, at the height of the era of 'globalization.' It can be understood as critically-mirroring the 'End of History' narrative dominating mainstream political rhetoric at the time. The structural analysis is wholly distinct; Robinson does not describe the dominant political order as liberal capitalism, but polyarchic order led by a transnational capitalist class. Nevertheless, their temporal arguments mirror one another. Both observe a qualitatively new stage in history, in which economic and political life is irrevocably changed. Both perceive the withering centrality of nation-states in the face of an emerging global political order, and both predict that local and regional economies would give way to the inevitability of a united global capitalist economy.

But history has proved resilient, and these conclusions seem to have overstated the magnitude and durability of the changes in the 1990s. In keeping with Arrighi's long-run theory of the capitalist world economy, China has emerged as a hegemonic rival to the United States, which has provoked a resurgence of the conversation surrounding hegemonic competition, with analogies being made to the Cold War (e.g. Osnos 2023). The Great Recession and subsequent pandemic have created political and economic crises, and as Arrighi predicts, could engender the emergence of a novel political economy. As Abdal & Ferreira observe, the Biden administration has pursued domestic industrialization from a commitment to the national interest, contrary to the dictum of a globalized economy to locate production where it is cheapest.

I do not necessarily endorse the conclusions of Arrighi or Abdal & Ferreira, as I will argue against World-Systems analysis as a theoretical approach later in this chapter. However, their arguments are useful foils to the view of 'globalization' as a stage in history that fundamentally altered social life, which was the prevailing view in the 1990s. Where Robinson predicted an acceleration and deepening of the international division of labor, it turned out to be a brief moment prior to the reassertion of political authority. Therefore it is difficult to maintain the theoretical veracity of 'globalization' as a historical stage within the World-Systems model. 'Globalization,' therefore, does not fit into one of sociology's dominant approaches to patterning history.

I.Id World Society on 'Globalization'

This subsection will argue against the theory of World Society. World-Systems theory is a method of patterning history, and therefore the question of whether 'globalization' fits into that pattern is a question about how to apply the theory. World Society theory, however, is a theory of how 'globalization' works; it purports to capture how institutions change under the influence of a

globalizing, cultural force. I use case studies of institutional change to show that World Society theory does not explain them, thereby casting doubt on one of sociology's dominant approaches to understanding how 'globalization' works.

In their 1997 article *World Society and the Nation-State*, Meyer et. al employ the example of a hypothetical island society as a way of illustrating the existence of a 'World Society.' They describe it as follows:

“If an unknown society were “discovered” on a previously unknown island, it is clear that many changes would occur. A government would soon form, looking something like a modern state with many of the usual ministries and agencies. Official recognition by other states and admission to the United Nations would ensue. The society would be analyzed as an economy, with standard types of data, organizations, and policies for domestic and international transactions. Its people would be formally reorganized as citizens with many familiar rights, while certain categories of citizens—children, the elderly, the poor—would be granted special protection. Standard forms of discrimination, especially ethnic and gender based, would be discovered and decried. The population would be counted and classified in ways specified by world census models. Modern educational, medical, scientific, and family law institutions would be developed. All this would happen more rapidly, and with greater penetration to the level of daily life, in the present day than at any earlier time because world models applicable to the island society are more highly codified and publicized than ever before. Moreover, world-society organizations devoted to educating and advising the islanders about

the models' importance and utility are more numerous and active than ever
(Meyer et. al 1997: 146).”

The intent of this hypothetical is to illustrate the existence of a World Society; that the institutional forms that this island society would adopt can be identified even though it does not exist, because World Society introduces an imperative to adopt these forms. These models are “highly developed and articulated, with elaborate rationalized justifications,” and “particularistic or local models find it difficult to compete with these legitimations.” It is expected that the island society would adopt, for example, a bureaucratic political structure, with circumscribed spheres of authority for the occupant of each office, and fixed salaries, rather than a traditional political structure, where authority and compensation depend on personal relationships. This theory is an extension of the theory of ‘isomorphism,’ developed in part in an (1977) article by Meyer and Rowan, which argues that organizations will tend to adopt similar structures, whether because of intentional mimicry or the response to similar environmental constraints. ‘World Society,’ therefore, can be understood as ‘isomorphism’ on a global scale; the ascendancy of one institutional model and its inevitable spread across the world.

The authors are undoubtedly identifying a real increase in the homogeneity of institutional forms globally. However, it is overstated, to the point that the concept of ‘World Society’ is not analytically-sound. The complexity of local institutional forms and practices belies attempts to subsume them under one global model. This is why the thought experiment of the hypothetical, abstracted island society does not work; it assumes a blank slate that a universalistic model can be imposed onto. Local conditions always blend with external models in

unique ways that cannot be predicted without examination of the case. In this section, I discuss three case studies which both pose significant problems for World Society theory.

The first is Erin Metz McDonnell's (2020) book *Patchwork Leviathan*, which identifies "pockets of bureaucratic effectiveness" in state bureaucracies that are otherwise ineffective. Through an ethnography of a department within the Ghanaian state bureaucracy called PARD, she finds that the department is highly-effective, in contrast to much of the rest of the bureaucracy, the reason being that the people within PARD ascribe to a professional ethos and are collectively-committed to the proper functioning of the department. In this way, she identifies variations in culture *within* the bureaucracy, based on how people within it think and behave, rather than the degree to which global institutional forms have penetrated the bureaucracy.

This divergence from global rational forms could be accounted for by the concept of 'decoupling,' articulated in the (1977) Meyer & Rowan article. It predicts that while institutions will adopt rational organizational forms, their actual practices might differ for any number of reasons. In the case of a developing country, the state bureaucracy might adopt a rational form while maintaining existing practices of venal office-holding, vague official jurisdictions, etc. However, in a 2000 article titled *Globalization*, Meyer argues that while decoupling takes place, the institutional forms of 'World Society' are still going to take root over time. Though decoupling might prevent isomorphism on the local level (e.g. other departments within the Ghanaian bureaucracy might not adopt PARD's practices), global models will still penetrate over time because the presence and expectations of 'World Society' are omnipresent. So while there is no snowball effect on the local level, the steady march of 'World Society' will envelope those institutions regardless, and the practices of World Society will be increasingly adopted alongside the forms.

However, as McDonnell shows, it is not the degree of penetration of ‘World Society’ models that determines local cultures of practice, but rather insular cultures amongst professionals. As she writes:

“Distinctively effective niches within the state, like PARD, may be uncommon and often overlooked, but they are not idiosyncratic. This book will argue that such patchworking is the hallmark structure of states in the midrange of capacity between the extremes of failed or strong states that have dominated scholarship. In predominantly neopatrimonial states from early twentieth-century China to contemporary Ghana and Nigeria, the bureaucratic ethos has flourished within concentrated niches of the state. Their structural position is interstitial, social niches entangled within a larger institutional field, distinct-yet-embedded subsystems characterized by practices inconsistent with—though not necessarily subversive to—those of the dominant, neopatrimonial institutional field. These interstitial niches are, effectively, bureaucratic subcultures—loosely bounded numerical minority groups within a predominant majority. Like other subcultures, such niches are characterized by “a set of modal beliefs, values, norms, and customs associated with a relatively distinct social subsystem (a set of interpersonal networks and institutions) existing within a larger social system and culture (McDonnell 2020: 6).”

McDonnell finds that determining the effectiveness of bureaucratic practice does not involve measuring its conformity to rational institutional forms, but rather by understanding the

professional ethos present in different parts of the bureaucracy. By conducting a detailed ethnography, she is able to open the black box of state bureaucracy to show variations within it, and thus capture the nuances of human behavior that are otherwise lost in abstract theories.

The second example is Akhil Gupta's 2012 book *Red Tape*, which is an ethnography of bureaucrats in small villages in rural India. Gupta's book addresses the apparent contradiction between the elaborate bureaucratic apparatus of the Indian state, and accompanying development efforts, that has penetrated far-flung areas of the country on the one hand, and the persistence of deep poverty in these areas on the other. He finds that while these bureaucratic structures are formally rational, reflecting Meyer's thesis that rational institutional forms have penetrated widely, the practices are not rational. He describes his argument as follows:

“I have replaced the notion that bureaucracies represent the rationalization of power in a disciplinary society with a very different picture—one in which the entire process is shot through with contingency and barely controlled chaos. My interest lies in explaining what I referred to above as the production of arbitrariness. In the midst of this chaos, the allegedly rational apparatus of the state makes crucial decisions such as whether a poor person should receive what may be lifesaving aid. However, the procedural bases for these decisions were far from rational (Gupta 2012: 14).”

As in the case of PARD, the degree of penetration of rational institutional forms seems not to be the determining factor in whether the eventual practice conforms to rational expectations. Rather, in his ethnography, Gupta observes “barely-controlled chaos,” and

emphasizes contingency as a driving explanatory factor of outcomes. If approached from the opposite direction, Gupta does not find that Indian bureaucracies are slowly conforming to rational expectations because of their exposure to the institutional forms of World Society. Rather, he finds a fundamental divergence between the institutional forms on the one hand, and the practice on the other.

The last example is Yuen Yuen Ang's (2020) book *China's Gilded Age*. Ang's study is motivated by the apparent contradiction between rampant corruption in China on the one hand, and its rapid economic growth on the other. Conventional wisdom holds that corruption is a drag on economic performance, and that rational bureaucracies which are devoid of corruption and better able to deliver on their stated development goals. However, Ang argues that it is precisely because of corruption in the Chinese bureaucracy that it has been able to grow so rapidly.

However, she argues that this growth is a function of a particular type of corruption. She distinguishes between petty and grand theft on the one hand, which imply stealing from public funds, and access money on the other, which functions as an investment in growth. The compensation of regional and local Chinese bureaucrats is tied to the economic performance of their jurisdiction, rather than a fixed salary. This means that bureaucrats are personally incentivized to deliver on growth targets. As she describes it:

“Are Chinese bureaucrats really free to plunder public budgets? My fieldwork uncovers a different reality. Local bureaucrats are not on a rampage. Instead, the practice of topping up “capitulation wages” with extra benefits follows an internal set of rules. Chinese public employees are compensated in a “dual-track” manner: fixed formal wages combined with variable allowances and perks. This structure

may be found in other developing countries too, except that, in China, the supply of fringe benefits was regulated and linked to financial performance, such that it functions as a monetary incentive (Ang 2020: 93).”

Through a structural analysis of the Chinese bureaucracy, Ang subverts the Weberian expectation that rational institutional forms are more effective than corrupt ones. This also contradicts the expectation of ‘World Society’; China has not adopted rational institutions, neither in practice nor in form. ‘Access money’ is not an example of a practice ‘decoupled’ from a rational form; it is itself the driving institutional form responsible for economic growth. This does not mean that it is itself without problems; as Ang argues, it breeds inequality and introduces systematic risk into the economy, which the Chinese leadership is aware of and seeking to balance. But it is not the case that it is planning to adopt a rational institutional form.

If one were to limit their focus to just McDonnell and Gutpa, one could salvage the concept of ‘decoupling’ by pointing out that they find rational bureaucratic forms, if not practices. A more scaled-back version of the World Society argument need not claim that practice will conform to form over time. There is some benefit to it as a descriptive tool, but it does not carry much analytical utility. ‘Decoupling’ can describe divergence from rational institutional forms, but cannot explain it. Divergence from rational forms does not explain why PARD is more effective than other parts of the Ghanaian state, or why rural Indian bureaucracy is shot through with chaos. And, if Ang’s study is brought back in, it seems that rational institutional forms need not be a prerequisite for growth at all, as China has found an alternative

method. Therefore the centrality of rationality of institutional forms should be deprioritized in the analysis, in favor of an analysis tailored to the specific context one is observing.

It is the detailed attention to local cases that allows McDonnell, Gupta and Ang to provide answers to an important question: why state bureaucracies in developing countries can or cannot deliver economic development. If one were to apply the analysis of World Society to try and improve the bureaucratic practices in India and Ghana, one would try to make them conform to their rational forms. But, as McDonnell argues, it is not conformity to rational forms that determines effectiveness, but rather a professional ethos. And it does not seem, from Gupta's analysis, that the penetration of rationality has much bearing on the randomness of administration. Even more important, one would risk halting or reversing the course of China's economic growth by implementing rational bureaucratic practices and removing the monetary incentives of regional and local bureaucrats to promote development.

Thus far in this section, I argued that 'globalization' is not a workable concept from a substantive perspective. It does not fit into the World-Systems model, and is therefore incompatible with one of sociology's dominant approaches to patterning history. I also used examples of institutional change to show that World Society theory does not hold under scrutiny, thereby arguing against one of the dominant ways sociologists understand how 'globalization' works. This raises the question of how to salvage the concept of 'globalization.' I argue that a deeper reevaluation of the meaning of 'globalization' and the task of social science is necessary to do so, which I articulate in the following section.

I.II A Theoretical Reorientation of ‘Globalization’

This section excavates the philosophical underpinnings of prevailing approaches to ‘globalization,’ so as to facilitate a deeper reorientation of the concept in the subsequent section. Subsection I.IIa argues that underlying the prevailing approaches to ‘globalization’ in sociology is an understanding of history as progressing through stages or cycles. That is, either implicit or explicit in the approach is an underlying belief that history is patterned, and that said patterned can be deduced through analysis. Subsection I.IIb outlines in greater detail the approach to patterning history in this way common to prominent Marxist theorists: Karl Marx himself, Giovanni Arrighi and Immanuel Wallerstein, noting that despite their differences, all base their analyses of a method of patterning history. Subsection I.IIc describes how these theorists attempt to reconcile the large temporal scale of their theories with the complexities of social behavior, arguing that they resort to ‘slotting-in’ social action into their abstract models. Subsection I.IId shows how the method of ‘slotting-in’ social action is employed in other theories of ‘globalization,’ focusing specifically on Giddens’ (1990) approach to the concept, demonstrating that ‘slotting-in’ is a common theoretical move by theorists attempting to conceptualize the large and unwieldy concept of ‘globalization.’ Subsection I.IIe turns to the problem of ‘slotting-in,’ arguing that it relies on an irreconcilable ontological division between the abstract models of the social world in which the social fact of ‘globalization’ resides, and the world of the theorist in which social action occurs. Lastly, subsection I.IIf proposes a shift to a phenomenological approach to sociological analysis to reconcile this division.

I.IIa Globalization as a Historical Stage

In the previous discussion of World-Systems analysis, I argued that ‘globalization’ is incompatible with the model. Nevertheless, if one is to assign any sort of meaning to the concept at all, one is likely to think of it as some kind of historical stage. As we saw, Wallerstein (1991) rejects this view on the basis that ‘globalization’ is a fiction imposed by powerful groups, and therefore does not necessarily observe any shift in the historical stage. However, Arrighi (2007) and Abdal & Ferreira (2021) do observe a shift; the former from a resurgence of American hegemony to a subsequent crisis, accompanied by the rise of China, and the latter from a “specific globalization project” to “deglobalization.” World Society theory employs a similar approach to history, if not as explicit. Where prior to the emergence of World Society, institutional forms and cultural values were determined by local and traditional customs, ‘World Society’ implies the supplanting of those institutions and values, thereby indicating some wholesale historical shift.’ This approach to patterning history dates back to sociology’s forerunners such as Saint-Simon and Comte, runs through Marx, Weber and Durkheim, characterizes some of the disciplines most influential historical works including Barrington Moore’s (1966) *Social Origins of Dictatorship and Democracy*, and Skocpol’s (1979) *State and Social Revolutions*.

In this section, I will argue against this stagist form of historical analysis. I take World-Systems analysis as the primary counterpoint, because its adherents have thought deeply about how and why to pattern history, and the paradigm is influential in sociology. As described by the World-Systems analysts discussed above, ‘globalization,’ or at least the recent stage in the World-System, implies some sort of large-scale shift in either relations of production, or geopolitical power, or both. The contention of this type of analysis is that capitalism is patterned

over time, and that by identifying those patterns, the analyst can increase their explanatory power. If it is the case that capitalism is a social system with distinctive logics, it might make more sense to explain its big shifts by theorizing those logics. Theorizing at a high level of abstraction allows one to make encompassing claims that a shift in the global system of capitalism might require in an explanation.

However, there is a tension here. World-Systems analysts have produced theories that convincingly explain how capitalism 'works'; the history of capitalism is organized into coherent patterns, such that the theories carry both explanatory weight and predictive power. But the complete absence of people from these theories make them both philosophically-suspect and somewhat unsatisfying. Much of sociological theory is built on aggregating people into larger groups, allowing the analyst to make larger claims that would be otherwise impossible if personal agency was foregrounded (Martin 2011). I call this the 'slotting-in' method, where social action is explained in reference to the structural system the analyst has constructed around the subject.

The following subsection is a deep dive into the prevailing theories of capitalism in the Marxist canon, followed by a discussion of the tension between theorizing at a high level of abstraction and explaining social action. I subsequently demonstrate how this problem applies to 'globalization,' using Giddens' (1990) as the primary counterpoint, as this is one of the first and most-deeply thought through theories of the concept. This will create the conditions for a theoretical break, which will be discussed in the following section.

I.IIb Stages & Cycles

The authors discussed in this section (Karl Marx, Immanuel Wallerstein and Giovanni Arrighi) share the premise that dynamics of capitalism are patterned, and can therefore be

elucidated through theory. Both Marx and Wallerstein understand capitalism as advancing through 'stages,' which are differentiated by the nature and degree of the division of labor. For Marx, the division of labor in each stage corresponds to a mode of social organization, including a form of ownership. He identifies four stages: tribal ownership, ancient communal and state ownership, feudal or estate ownership, and private ownership (Marx 1978: 154). For Wallerstein, a form of division of labor only qualifies as a stage of capitalism if it constitutes a 'world-economy,' which he defines as "a single division of labor but multiple polities and cultures (Wallerstein 1979: 6). He diverges from Marx in that the 'tribal' stage Marx identifies likely does not qualify as a stage of capitalism, because economic exchange was not the predominant form of resource allocation; Wallerstein calls this form of social organization a 'world-empire,' which is a single division of labor but also a single political system.

Therefore, Wallerstein identifies the genesis of capitalism at a later date than Marx (though Marx is never explicit about dates). Wallerstein sees the first stage of capitalism, 'agricultural capitalism,' as emerging in Europe during the sixteenth century. The second stage, which emerged in the eighteenth century, he calls the 'mercantilist stage.' Both Wallerstein and Marx identify a shift in relations between the dominant classes in Europe and the state as altering the dynamics of capitalism during this period. As a 'world-economy' consolidated across Europe, national merchant classes turned to their states to protect themselves from the competition that accompanied the European market (Wallerstein 1979: 19; Marx 1978: 184). The final stage Wallerstein identifies is the industrial stage, during which the world-economy that had previously been confined to Europe spread around the world.

Where Marx employs a strict criteria for labeling a stage of capitalism (a unique form of ownership), Wallerstein's stage labels are more descriptive than substantive, identifying either a

mode of production (e.g. 'agricultural' and 'industrial') or a dominant dynamic (e.g. mercantilism). Nevertheless, both authors identify distinct stages in the history of capitalism. In justifying the use of stages as an analytical tool, Wallerstein writes:

"If we are to deal with social transformations over long historical time (Braudel's 'the long term'), and if we are to give an explanation of both continuity and transformation, then we must logically divide the long term into segments in order to observe the structural changes from time A to time B. These segments are however not discrete but continuous in reality; *ergo* they are 'stages' in the 'development' of a social structure, a development which we determine however not *a priori* but *a posteriori*. That is, we cannot predict the future concretely, but we can predict the past. The crucial issue when comparing 'stages' is to determine the units of which 'stages' are synchronic portraits (or 'ideal types,' if you will) (Wallerstein 1979: 3)."

By describing the stages of capitalism as 'ideal types,' Wallerstein seems to suggest that they do not have a direct referent in material reality, rather that they are useful analytical tools to explain the development of capitalism, which may explain his divergence from Marx in not employing a strict material criteria for labeling his stages. For Wallerstein, stages seem to not only be useful but necessary to explain "both continuity and transformation," because it is only by dividing segments into stages that "structural changes" become visible. Therefore, in his view 'stages' are likely not inherent to the logic of capitalism. This contrasts with Marx, who identified a progressive advance of stages that correspond to an inherent tendency of capitalism: the further development of the division of labor. Therefore, Marx would likely disagree with Wallerstein in that identifying stages could be a method to predict the future: if the division of labor continues

to develop, it should be possible to track its development, chart its future course, and to predict the next stage of capitalism.

In contrast with the stagist conception of capitalism, Arrighi identifies 'cycles' as the fundamental logic of capitalism. In his view, capitalism adheres to a recurring logic of alternating epochs: a phase of material expansion (MC), and a phase of financial expansion. The combination of two epochs constitutes a “systemic cycle of accumulation (Arrighi 1994: 6).” Each systemic cycle of accumulation is organized under the leadership of “particular communities and blocs of governmental and business agencies (ibid., 10),” therefore each cycle can be attributed to the leadership of a certain set of institutions, hence his labeling of the four systemic cycles of accumulation he identifies according to the institutions that organized it. These are “a Genoese cycle, from the fifteenth to the early seventeenth centuries; a Dutch cycle, from the late sixteenth century through most of the eighteenth century; a British cycle, from the latter half of the eighteenth century through the early twentieth century; and a US cycle, which began in the late nineteenth century and has continued into the current phase of financial expansion (ibid., 7).”

Arrighi attributes the logic of 'cycles' to an application of Marx's general formula of capital (MCM') to the history of capitalism. The potential for capital accumulation during epochs of material expansion (MC) have inherent limits. When they are reached, capital accumulation is more possible through pure financial transactions, hence the shift to an epoch of financial expansion (CM'). Each systemic cycle of accumulation corresponds to a certain set of interstate relations, backed by an organizing hegemon. When financial expansion also reaches its limits, the set of interstate relations that was developed during the systemic cycle of accumulation breaks down as competition for capital devolves into violent conflict. This provides an

opportunity for a new hegemon to emerge, reorganize the world-economy and begin a new systemic cycle of accumulation.

In this view, American hegemony has persisted over two cycles of accumulation. The first began with the Second World War, where the United States initially became the hegemon, presiding over a phase of material expansion (specifically in industrial manufacturing). This cycle reached a crisis point in the 1970s as the economic potential of global manufacturing reached its limits. The United States retained its hegemony through the following cycle of accumulation by spearheading the global deregulation of finance and becoming a magnet for financial capital. Arrighi (2007) argues that American dependence on foreign capital will reach another crisis point, and that its unipolarity will not persist into the following cycle of accumulation, as China and Europe are poised to join the United States as global powers.

It is not necessarily contradictory to conceive of the history of capitalism as consisting of both cycles and stages. Because each new systemic cycle of accumulation involves a novel phase of material expansion, there is a natural affinity between progressive advancements in modes of production with recurring cycles of material expansion. This is especially the case if one adheres to Wallerstein's more descriptive method of stage-labeling, which would allow for considerable flexibility in grouping together systemic cycles of accumulation. Though one could imagine a highly-formalistic categorization of the history of capitalism, matching systemic cycles of accumulation with progressive stages of capitalism, which are labeled according to a strict criteria with a material basis (e.g. the development of the division of labor, distinct modes of production or stages of technological progress).

Thus far in this section, I have outlined the prevailing approach in Marxist historical sociology of conceptualizing history as progressing through stages. In the following section, I

turn to the implications of this approach to history for understanding social action.

I.IIc 'Slotting-in' Social Action

If these authors are identifying something real and inherent to capitalism, then it follows that the most powerful analysis of capitalism would address those fundamental logics. Therefore, it is reasonable to ask whether it makes sense to come down from this level of abstraction to analyze capitalism. The natural response is to question the validity of these logics. Sewell (2008) addresses this problem as follows (addressing solely the question of 'cycles'):

"I am not competent to sort out the various controverted claims about business cycles. But I find it hard to believe that cycles are a mere optical illusion. The genuinely repetitive character of business fluctuations seems to me incontrovertible. Even if fluctuations are caused by essentially random shocks, one has to explain why the responses to random shocks follow such regular patterns. The problem posed by business cycles may be put this way: In spite of the eventful, indeed hyper-eventful, character of the capitalist economy, there appears to be a recurrent logic at the centre of the flux that generates a continuous, monotonously repetitive pattern. This recurrent logic must, in some sense, be extremely abstract, since the concrete institutions and materials through which the repetitive pattern manifests itself change radically over time (Sewell 2008: 521)."

If capitalism is best-analyzed by addressing its persistent logics, then the analysis will occur at a high level of abstraction. But engaging at this level makes explaining personal and institutional behavior more challenging, because they are concrete events. The logics that animate personal and institutional behavior may not fit neatly with the abstract logics of

capitalism. Marx does not see a tension here; his account of the history of capitalism in *The German Ideology* also includes several passages that implore the analyst to engage with actual people and their immediate material conditions, such as the following:

“The premises from which we begin are not arbitrary ones, not dogmas, but real premises from which abstraction can only be made in the imagination. They are the real individuals, their activity and the material conditions under which they live, both those which they find already existing and those produced by their activity. These premises can thus be verified in a purely empirical way. The first premise of all human history is, of course, the existence of living human individuals. Thus the first fact to be established is the physical organization of these individuals and their consequent relations to the rest of nature (Marx 1978: 149).”

Marx claims that identifying the inherent logic of capitalism is not an abstract endeavor, because each stage of capitalism is characterized by a degree of division of labor and a unique form of social organization that can be observed empirically. However, identifying this process still involves some abstraction, as the 'division of labor' is not a concrete entity that acts on the world; people are responsible for shaping it. So to retain concreteness, one would have to connect human behavior to shifts in the division of labor. Marx accomplishes this by developing an intimate link between people's mental and material life:

“The production of ideas, of conceptions, of consciousness, is at first directly interwoven with the material activity and the material intercourse of men, the language of real life. Conceiving, thinking, the mental intercourse of men, appear

at this stage as the direct efflux of their material behavior. The same applies to mental production as expressed in the language of politics, laws, morality, religion, metaphysics, etc. - real, active men, as they are conditioned by a definite development of their productive forces and of the intercourse corresponding to these, up to its furthest forms (Marx 1978: 154).”

If one attributes the development of the division of labor to people's political and economic action, the concreteness of Marx's conception can be salvaged by explaining social action through their material conditions. Social action is determined by people's material situations, which leads them to develop a certain division of labor, thus linking the abstract logics of capitalism with people's concrete lives.

This explanatory style of social action, which I call the ‘slotting-in method’ runs through both Wallerstein and Arrighi. Wallerstein, for example, argues that merchants located just outside the core of the World-System have historically turned to the state for protection as a “defensive mechanism” against competition, suggesting that their location in the World-System (which implies a set of material conditions) motivates their political and economic behavior (Wallerstein 1979: 20). Similarly, Arrighi argues that when purchasing power was slipping away from the United States in the late 1970s, the US government decided to "abandon the New Deal tradition of confrontation with private high finance, and to seek instead by all available means the latter's assistance in regaining the upper hand in the global power struggle (Arrighi 1994: 334)," attributing the political behavior of policymakers to their material conditions. The 'cause' (or 'motivation,' to use a less-loaded term) of social action is therefore one dynamic in a larger set of interacting forces that make up capitalism; they are ‘slotted-in’ to the pre-existing of the world.

Because people's mental life is intimately bound with their material conditions, their subjectivity is an epiphenomenal product of the logics of capitalism.

I.IId Giddens & 'Slotting-in'

World-Systems analysis patterns time, and slots social action into the model. The same is true for explanations of social action within the context of 'globalization.' As previously-discussed, World-Systems analysts disagree on whether 'globalization' represents a new stage in the World-System. Robinson (1996), who articulates a World-Systems model in which 'globalization' is a new historical stage, uses the same 'slotting-in' technique. 'Globalization' is defined as the internationalization of the division of labor. Though he does not explicitly theorize the link to social action, if one were to follow the Marxist logic, one could assume that people's mental lives and social action can be explained by this internationalization.

However, to demonstrate how the 'slotting-in' technique works in the context of 'globalization,' I will use Anthony Giddens' theory, as it is a more thorough and detailed examination of how 'globalization' has changed social life. For Giddens, 'globalization' is a consequence of modernity, which can be understood through changes along four dimensions: industrialism, surveillance, capitalism, and military power. His theory of 'globalization' is inseparable from his theory of modernity as an aspect of modernity is the increasingly global scope of institutional change. Just as modernity is characterized by change along the four dimensions outlined above, globalization is also understood through changes along four dimensions, which are: the world capitalist economy, the international division of labor, the world military order, and the nation state system.

Giddens' theory is unique because it links institutional change to change in the subjective experience of space and time. Modernity itself is characterized by a separation of space and time,

which itself is the product of a separation between ‘space’ and ‘place.’ ‘Place’ refers to the localized geographical area where a given social activity takes place, while ‘space’ refers to the generally understood notion of physical space. In pre-modern times, the two coincided, as people’s social awareness was constrained by their ‘place.’ Modernity is characterized by the emergence of “empty space”; the ever present knowledge of other societies. This leads to the “emptying of time,” as people increasingly socialize beyond their immediate place, time is “disembedded” from the rhythm of one’s place, and conditions behavior across space. Giddens uses the example of the timetable, which allows different societies to coordinate across time, thus creating an “empty” dimension beyond one’s place, which he calls “time-space distancing.”

‘Globalization,’ in Giddens’ view, is the stretching of time-space distancing across the world. The entire world is subsumed in a global network of relations. Though he does not explicitly explain how, it is presumably related to the four dimensions of globalization through the four dimensions of modernity, along which institutional changes are facilitated by time-space distancing. One can assume that the ability to cut across localized time-space centers allows for the development of industrial enterprise, capitalist relations, and so on. One can make the further assumption that the stretching of time-space distancing across the globe facilitates the globalizing of the nation-state system, the world capitalist economy, and so on.

In this view, social action is implicitly-subsumed into the globalizing process of the network of relations; it employs the ‘slotting-in’ method. To illustrate this, it will be useful to imagine a hypothetical businessperson operating in the context of ‘globalization.’ Because of time-space distancing, they can now coordinate more easily across locations and time zones. ‘Time-space’ distancing facilitates their globalizing action, thus reinforcing the globalizing process. And their globalizing action can be explained by locating this businessperson as

operating within one of the four dimensions of modernity: capitalism, and is consequently facilitating in the acceleration of the world capitalist economy. Presumably, this businessperson is working in a profitable enterprise, and is thus motivated to coordinate across space and time in order to generate greater profits. Therefore, their action is explained in reference to their position within the network structure of ‘globalization’ and their location on the capitalist dimension of modernity.

To summarize the argument of this section thus far, I have argued that the World-Systems approach to patterning social time forces analysts to explain social action by ‘slotting it in’ to their models, and have demonstrated that this method extends to Giddens’ theory of globalization. In the following subsection, I outline the problem with this approach.

I.IIe The Problem with ‘Slotting-in’

This section will articulate the problem with the ‘slotting-in’ method of explaining social action. This method of explanation is common to sociology because it is how action is explained in relation to social facts. In short, social facts act on a person, and social scientists tend to explain the person’s actions through showing how the social fact acted upon them. For example, the social fact of the World-System acts on the merchant to compel them to seek protection from the state; the social fact of ‘globalization’ compels the businessperson to coordinate across space and time. However, when examined closely, it becomes apparent that this method of explaining social action contradicts with how people usually understand and explain social action, which creates a problem for social science.

‘Social facts,’ in the Durkheimian sense, prioritize patterned social dynamics over subjective experience in explanation; a social fact is an external force that acts on a person. As

Martin (2011) describes, the Durkheimian conception of a social fact is derived from a specific ontology of the social world and how to theorize it. He writes that:

“Quetelet’s concept of the “average man” was not simply a “best guess” as to the values that vary within a population, but the true object, as he came to believe that nature aimed for the average as a marksman aimed for a target and enjoyed arguing that the distribution of certain biometric measurements among a group of people (e.g., that of the chest diameters of army recruits) was well within what one would expect from measurement error alone; therefore, it was “as if the chests measured had been modeled on the same type, on the same individual”...Given this idea of the “average man” that lay at the heart of the new French social sciences, attention had to be turned to the general, indeed the generic, to uncover social regularities. If any individual observation x_i is really an error-laden instantiation of some general property, and it is the general x in which we are interested, then certainly close attention to any particular case is problematic. It is precisely this logic that inspired Durkheim’s ([1895] 1938: 8) idea that our laws refer to abstract general qualities common to members of a certain class—the “social fact” is the shared, not the particular, and is seen in the average (Martin 2011: 28-29).”

In this ontology of the world observable to social science, we study regularities, or social facts. But the subject of the regularity is not a particular, concrete case, rather an abstract

“average man”; a theoretical construction meant to represent the aggregation of particular cases. If the particular case deviates from the average, it is treated as an aberration. Therefore, the merchant in the World-Systems model who did not seek protection from the state is not accounted for, nor is the businessperson who does not coordinate across space and time. The subjects of these theories are theoretical constructions, articulated by establishing the abstract theory, then reasoning down to the level of people.

The analytical-deployment of social facts creates an ontological division between the world of the theoretical model, and the observable world that the scholar shares with the subject. This ontological division reflects Burawoy’s (1998) distinction between ‘positive’ and ‘reflexive’ science. He describes the former as follows:

“The premise that distinguishes positive from reflexive science is that there is an "external" world that can be construed as separate from and incommensurable with those who study it. Alvin Gouldner (1970) once called this premise "methodological dualism" - social scientists are exempt from the theories they develop about others. Positive science calls for the distancing of the observer from the object of study, a disposition of detachment. The purpose of positive science is to produce the most accurate mapping of the workings of this external world, to mirror the world (Rorty 1979).”

The conceptions of a ‘World-System’ or of ‘globalization’ are premised on this methodological dualism. The authors of these theories are not subjects of the dynamics they describe; they do not have the experience of being a scholar in the ‘core’ of the World-System, having their actions determined by this position, nor as nodes in a globalizing network of

relations. They presumably experience their social action as the product of their own free will and agency, as the rest of us do. As Burawoy says, they are not trying to articulate the world around them, but “to produce the most accurate mapping of the workings of this external world, to mirror the world.” In other words, to make an ontological division between the world they inhabit and the world of their theory.

Martin (2011) argues that this ontological division is in service of a ‘third-person’ explanation in sociology, favored over a ‘first-person’ explanation. Creating an ontological division has been an integral part of sociological analysis since Durkheim was able to demonstrate that suicide is linked to religion, family structure, and political context. Martin argues that throughout the discipline's subsequent development, sociologists have understood their scientific ability as being inextricably linked to this capacity to produce abstract models of the world that can help illuminate our own.

The problem that he identifies with this mode of theorizing is that it leads to explanations of human behavior that contradict common sense. The actions of people that inhabit the ontological worlds of sociological theory are explained by abstract, metaphysical forces that act upon them. The pressures of being a merchant in the semi-periphery of the World-System acts on Wallerstein’s merchant, compelling them to seek protection from the state. The combination networking effect of the stretching of time-space distancitation and the position on the capitalist dimension of modernity acts on the businessperson, compelling them to coordinate across space and time. And, to use simpler examples, the abstract compulsion to eat and sleep compels people to eat and sleep from outside themselves.

This is not how people normally explain behavior; we usually defer to agency and judgment. We would say that Wallerstein’s merchant sought protection from the state because

they were concerned about competition, that the businessperson coordinated across space and time because it was their immediate professional obligation to do so, and that people eat and sleep because they are hungry and tired. While the ‘slotting-in’ method permits social scientists to construct abstract models of society that can provide powerful explanations across time and social contexts, it cannot explain social action in a way that is commensurate with common sense.

I.IIf The Shift to Relationality

What is the alternative to explaining social action by slotting it into abstract models? I argue that this requires a wholesale epistemological shift from a ‘substantive’ to a ‘relational’ approach to social science. This subsection outlines the tenets of a substantive approach, explains how it permeates common sociological approaches to historical change, and globalization in particular, then describes what a relational approach to these topics looks like.

A substantive approach begins sociological inquiry with the assumption that social ‘things’ possess essences that are pre-formed; that is, they exist independently of the social context in which they are in (Emirbayer 1997). For example, a substantive theory can identify the social object ‘capitalism’ in both nineteenth century England and in twenty-first century America. The salient difference between these two cases is the differing social contexts in which capitalism operates, but it is assumed to be the same social ‘thing’ that exists in both cases. This approach to sociological inquiry is in large part derived from Durkheim’s theory of social facts, which identifies durable external things in the social world that constrain social action. This ontological view embeds human beings in larger social systems, and sets the task of the sociologist to discover how the system works.

In this approach, the system itself constitutes the substantive unit of analysis, and its various components do the acting. For example, in the case of the World-System, 'core' states act according to the logic of the system, rather than political leaders in 'core' states making decisions. Therefore, Wallerstein's merchant is not so much a stand-alone 'merchant,' but better understood as a 'core-adjacent capitalist.' Their social action is best understood by locating them within the logic of the system, rather than through excavating their personal motivations in relation to their immediate social contexts. This is not to say that World-Systems analysts do not attend to granular history at all, nor that they reduce all social action to the logic of the system. However, the ontological primacy of the system over the person privileges the logic of the system in the analysis.

A relational approach, by contrast, does away with the ontological distinction between the person and the system. The external environment is not acting upon the person. Rather, a person, or any social thing, is only a durable entity in relation to a specific social context. The social context does not act on the person, rather, the person and the context are co-constitutive of one another. For example, in the case of the merchant, one cannot understand their decision to seek protection from the state by virtue of their position in the world system as a core-adjacent capitalist. Rather, one would have to collect granular data on their biography and immediate environment to reconstruct their social context to properly understand why they sought protection from the state. The explanation will likely be more historically contingent and context dependent; for example, they may have recently suffered a financial loss, or they may have had connections with someone in government, and so on. Thus, explanation, in a relational approach, relies more on historical detail than a substantive approach. Substantive explanations refer to an all encompassing system or theory to explain social action, whereas relational approaches

attempt to reconstruct historical contexts to create a commonsense explanation for why a person acted in a particular way (Martin 2011: 32). If it is the case that the merchant had privileged access to the levers of power, we need not go any further in explaining why the merchant sought protection from the state. A reasonable person can understand that one would take advantage of such an opportunity if presented to them.

By shifting to a relational approach, we are able to explain social action without relying on slotting it into a larger theory. Social action and social context constitute one and other. However, the question remains how to construct relational theories of concepts as large as globalization. The advantage of a relational approach is that social action is foregrounded; historical detail is mobilized to provide sufficient context to make social action understandable. However, because a relational approach does not maintain an ontology of durable social ‘things’ in the world, reconstructing a theory of a large and complicated concept like globalization is difficult. One cannot, going by Beckford’s (2003) definition, add on the economic, political and cultural dimensions of social integration, because each of those dimensions requires unpacking and context, relative to social action. And, inevitably, once said historical detail is provided, any attempt to maintain a larger concept of ‘cultural integration,’ for example, will slip away, as ‘cultural integration’ in rural southeast Asia will likely look very different than in an urban center in Western Europe.

To conceptualize ‘globalization,’ it is necessary for the social scientist not only to break down the ontological divide between social actors and social structures, but between themselves and their concepts. As Burawoy’s (1998) argument makes clear, a substantive approach to social objects constructs an ontology adjacent to the world occupied by the social scientist. ‘Globalization’ does not exist on an ontological plane separate from the social scientist, made up

of constitutive elements. Rather, it exists in the same ontological universe. ‘Globalization’ was popularized in the early 1990s as a way to understand a rapid change taking place in social life. It was a linguistic tool to make sense of a changing social world. That is the context in which ‘globalization’ exists. ‘Globalization’ is not an abstract system in which people act within. In a relational approach, it is co-constituted by people and their social environments. People perceive the world, and deploy language to conceptualize it. ‘Globalization’ is inseparable from the people who articulate it.

In the following section, I elaborate on an understanding of ‘globalization’ as co-constituted by people and their social contexts, thus developing a theoretical framework for my approach to ‘globalization’ in the empirical section of this dissertation.

I.III A Relational Theory of ‘Globalization’

This section is dedicated to outlining a relational theory of globalization. It does so in two parts. The first three subsections establish the method for locating ‘globalization’ as co-constituted by perception and the social context in history. Subsection I.IIIa briefly reviews the ambiguity of locating ‘globalization’ in history, thus arriving at the conclusion that a perception of something akin to ‘globalization’ could plausibly be traced back into early human history. Subsection I.IIIb argues that perceptions of ‘globalization’ are best located in the institution of diplomacy, and conducts a very brief and synthetic summary of the history of diplomacy to illustrate this point. This subsection also argues that perceptions of ‘globalization’ will be influenced by the immediate social contexts of diplomats, therefore, turning the analysis to the culture of diplomatic institutions. This subsection concludes its historical sketch in late modern Europe. Rounding out the historical sketch, subsection I.IIIc picks up where the previous

subsection leaves off historically by taking an extended look at the culture of American diplomacy in the turn of the twentieth century, during a period of rapid rationalization and state formation, wherein the diplomatic organizations begin to resemble their current form. This subsection takes a more fine-grained approach to early American diplomacy to establish the emergence of a certain type of diplomatic culture; of a ‘Practical’ approach, which is contrasted against the emergence of a distinct approach in the empirical case studies, wherein ‘Foreign Policy Experts’ begin to articulate concepts akin to contemporary ‘globalization.’

The second part of this section is dedicated to previewing the case studies in the empirical portion of this dissertation, with an emphasis on tying in the relational theory of globalization. Subsection I.III d previews the first case study, following the American diplomat George F. Kennan in the years immediately following the Second World War, as he tried and failed to orient American foreign policy towards ‘integration’ amidst the building momentum of the Cold War. Subsection I.III e previews the second case study: tracing the emergence of the FPEs in the budding space between the state and universities, their early articulations of the paradigm of ‘interdependence,’ and their successful intervention into American foreign policy. Lastly, subsection I.III f picks up at the demise of interdependence in the late 1970s, and traces its resurrection under the novel guise of ‘globalization’ in the subsequent decade.

I.IIIa Identifying Globalization in History

The previous section of this chapter made the argument that ‘globalization’ is best understood not as a social fact, but as a relational social object, co-constituted by people and their social contexts. The analytical task, therefore, is to locate that iterative process by which meaning emerges from a perception of a change in the external world in history. However, this strategy quickly encounters a problem. Depending on one’s definition, ‘globalization’ can be

identified very far back in historical time. Economic historians have identified periods of history that are remarkably similar to ‘globalization.’ A recurrent argument in works of economic history is that capitalism goes through cycles of expansion and contraction (e.g. Marx 1978, Polanyi 1944). Arrighi’s (1994) detailed theory of this process identifies “systemic cycles of accumulation” facilitated by hegemonic blocs that create the political foundation, either through imperialism or the spread of commerce, for material expansion. During phases of expansion, investment and trade tend to flourish, often aided by a novel technology that facilitates a new mode of production. Borders between social groups begin to disintegrate as goods and capital flow between them. Once material expansion reaches its limits, capital accumulation becomes purely financial, until competition for capital becomes fierce enough for interstate conflict to begin, ending the cycle of accumulation and paving the way for the next one.

Arrighi finds that there have been four “systemic cycles of accumulation,” beginning with the Genoese in the fifteenth century. In this context, the 1990s is nothing more than the financial phase of the American cycle of accumulation that began in 1945. One does not have to subscribe to the details of Arrighi’s theory to recognize the recurrence of a pattern of expansion in the history of capitalism. Using another definition, Chase-Dunn et al. (2000) find that there have been three waves of ‘trade globalization,’ that is, “the extent to which the long-distance and global exchange of commodities has increased (or decreased) relative to the exchange of commodities within national societies,” since 1795.

Given the relational approach of this dissertation, the task is to resist imposing a rigid definition of ‘globalization’ onto history; rather, to identify when the perception of globalization emerged amongst historical actors. Thus, scaling up levels of generality, Jeffrey Sachs’ (2020) definition of ‘globalization’ is: “the interlinkages of diverse societies across large geographical

areas.” This very general definition facilitates his identification of the process of globalization far back in human history, beginning in the Paleolithic Age.

This dissertation will not go back into early human history to attempt to excavate the earliest instances in which people were perceiving what we would today call ‘globalization.’ However, the argument here is that it is theoretically possible for an analyst to do so. For the more constrained purposes of the current investigation, the following section will mobilize existing historical literature on early human societies to tease out where such an investigation may begin. It does so for two purposes. 1) To flesh out the preceding theoretical argument with a brief empirical application, and 2) more importantly, to establish that, for the purpose of building a relational theory of globalization, there is a human institution that has existed since early civilization that is best suited for this investigation: the institution of ‘diplomacy.’

I.IIIb ‘Diplomacy’ as the Site of the Co-Constitution of Globalization

The institution of ‘diplomacy’ is the natural site of investigation for the co-constitution of globalization because diplomats are predisposed to sense the type of changes in the external environment entailed by ‘globalization.’ If relations between societies are changing, it is the task of diplomats to manage those changes. Thus, they are professionally-obligated to be attuned to those changes. Consequently, they are more likely to develop a language around this phenomenon than other social groups, because they are inclined to be more aware of it. Therefore, to identify the iterative process whereby meaning emerges from a perception of a change in the external world in history, the analysis should identify the perceptions of diplomats.

The history of the institution of diplomacy shows that it emerged to manage external relations. Historian Amanda H. Podany (2010) locates the origins of diplomacy in the earliest political communities in the Near East. Discrete city-states such as Ebla, Mari, Nagar, Kish and

Hamazi maintained diplomatic contacts with one another through the frequent use of envoys. Podany identifies the first recorded diplomatic exchange in a letter from an official in the city of Ebla to an envoy in the far-off city of Hamazi, in which he describes the envoy as his “brother.” In the political imaginary of Near Eastern civilizations, political leaders were identified as ‘fathers.’ The Ebalite identification of the Hamazian envoy as a ‘brother’ suggests, Podany argues, that he was identifying him as an equal. It is apparent from the early city-states of the near East that diplomacy was part of their political development, and that they had developed a distinct practice of diplomacy. Moreover, it is clear that diplomats were mobilizing a language of kinship to signify increasingly proximal relations between political communities.

If diplomats are the sources of perceptions of changing relations between groups, then, in a relational spirit, understanding their perception involves placing them within their relevant social contexts: the culture of diplomacy. The given professional contexts of working diplomats would have a significant influence over how diplomats perceived a changing social environment. For example, when European states began to cement their sovereignty in the early modern period, and diplomacy became a more institutionalized practice, diplomacy is described by historian Jeremy Black (2010) as ‘courtly.’ The increasing influence of the French style of diplomacy emphasized social skills and courtly manners. Diplomats themselves were largely either aristocrats who possessed these qualities, or military people. It was not, at this point, diplomats self-consciously representing the ‘national interest’; it was them representing their princes or families. As states during this period were largely ruled by dynasties, diplomacy consisted of ‘family diplomacy’; as the management of family relations was the same as managing interstate relations.

This changed after the French and American revolutions in the late eighteenth century. Diplomacy became a more self-conscious representation of the ‘national interest.’ This coincided with a period of rationalization of the modern state, as precise borders were cemented. States monopolized the capacity to represent themselves through publicly-endowed people rather than private individuals. European diplomats started to be selected through examinations rather than simply appointments. This was also a period in which diplomats from beyond Europe in Latin America and Asia began to make contact, generating what Black calls a “global diplomatic order.”

Whether diplomats saw themselves as representing the interests of a dynasty, or the interests of a ‘nation,’ would undoubtedly influence their perceptions of how the international environment was changing. Diplomats solely concerned with the preservation of dynasties may be less inclined to take an interest in the broader dynamics of changes in the social proximity between societies. As Black (2010) notes, diplomacy became an increasingly pivotal arm of governance during a tumultuous period of interstate relations, as monarchs were anxious to keep an eye on alliances. But, as states faced the imperative of rationalization to improve their capacities to wage war, they became more responsible for the social needs of their subjects (Tilly 1990). Diplomats would subsequently be more inclined to take a broader view of their mandates.

The following section applies this view of diplomacy to the development of the institution in the United States. The empirical section will argue that American diplomats (or more broadly, Foreign Policy Experts) were responsible for developing the language around what would become known as ‘globalization.’ This argument will be made possible by an account of the institutional foundations that preceded the Foreign Policy Experts, creating the conditions for their perceptions of globalization following the Second World War.

I.IIIc The Culture of Early American Diplomacy

Where European governments rationalized the institution of diplomacy, it was still subject to the patronage system in the United States through the nineteenth century. Historian of the US foreign service Richard Hume Werking (1977) describes the diplomats of this period as “temporary amateurs.” The state department during this period also did not have a system of recordkeeping. As Skowronek (1982) argues, the delayed rationalization of the US federal bureaucracy was a function of its origin as a democratic party state. The federal bureaucracy grew through a patronage system, in which offices were rewards for party workers, and distributing these appointments were central to the political power of party elites. This was in direct tension with rationalization, as party elites with entrenched power were actively-resistant to professionalizing the bureaucracy.

Following the Civil War, there was a struggle for the practice of American diplomacy (and the practice of government administration more broadly) between the existing party elites, and a class of professionals, including lawyers, university professors, and military officers, who sought to rationalize the federal bureaucracy. Many of these new professionals were the children of agriculturalists from the Northeast United States who moved to the growing urban centers in New York, Boston and Philadelphia (Bledstein 1976). They took advantage of the rapidly-growing urban economies in Northeastern cities, comprising an emerging, novel middle class occupying professional roles, what Beckert (2001) calls the “American bourgeoisie.”

‘Progressives,’ as they are commonly-referred to in the literature, represented the toppling of the authority of religion with science, and lay understanding with professional expertise. They were committed to applying science to solving social problems, including corruption in government. Skowronek (1982) catalogs the efforts to wrest the American state

away from the patronage system and create the rationalized bureaucracy already proliferating around Europe. Progressives successfully passed the Pendleton Civil Service Reform Act in 1883, which mandated that offices in the federal government be granted on the basis of merit rather than patronage.

This rationalizing impulse extended to American foreign policy. Elihu Root, a corporate lawyer, was appointed by President Theodore Roosevelt to run the War Department in 1900. Root undertook a concerted effort to rationalize the department. He centralized control by introducing federal supervision over the state militia, thereby wresting it away from local political elites. And he standardized military education by creating the Army War College in 1901. Because Root had a history working in the pre-rationalized political parties, he was capable of engaging with the coalitional politics to accomplish his goals. Thus, he was a transitional figure, capable of functioning in the patronage system, and using his experience to rationalize the bureaucracy (Zimmerman 2002).

Thus, the Progressives successfully toppled the party machine and wrested control of American foreign policy, instituting a more ‘rational’ culture of diplomacy. However, over the subsequent decades, a new tension would emerge. Though Progressives are generally equated with an intellectual renaissance in American life, there was an ambiguity to their relationship with intellectualism. The Progressives who came into the offices of American foreign policy in the early twentieth century were largely from the world of business: lawyers and financiers. I call them ‘Practical Men,’ drawing on Richard Hofstadter’s (1963) description, because it captures a disposition that contrasts with that of the Foreign Policy Experts. They had privileged access to the highest rungs of American foreign policy because of their professions. As American banks and law firms began to develop international interests, they became more involved in foreign

policymaking. Organizations like the Council and the Carnegie Endowment were conduits between them and the government. Elihu Root is the quintessential example of such a figure: Secretary of both the Departments of War and State, and founder of both the Carnegie Endowment for International Peace and the Council on Foreign Relations.

Bearers of the ‘Practical’ disposition did not necessarily share an approach to American diplomacy at the turn of the twentieth century. But, I argue that they tended to share more characteristics with Elihu Root than Theodore Roosevelt. Elihu Root approached his job as Secretary of War as an administrator, creating a functioning colonial administration in the Philippines (Zimmermann 2002). From Zimmermann’s telling, he was not necessarily ideologically-invested in an American imperial project, but was rather intent on carrying out American diplomacy in an effective manner. This contrasts with President Theodore Roosevelt: a Progressive in the sense that he spent years rooting out corruption as a member of the Civil Service Commission (*ibid.*, 211), and an intellectual who published a multivolume history of the Naval War of 1812 (*ibid.*, 197); he was invested in a Manifest Destiny vision of American foreign policy, seeking to expand America’s imperial reach (*ibid.*, 226).

As I will show, the Practical Men were not scholars, by and large. They tended to rely on their intuition and cultivated sense, and were suspicious of an overreliance on the intellect. They drew on their experience of managing organizations and maintaining relationships with clients to streamline American diplomacy and develop relationships with foreign leaders, rather than basing their policy decisions on an abstract picture of how international relations function. This does not mean that, like Roosevelt, they did not pursue grand, morally-charged visions of American diplomacy; the Cold War is an example of that. But, as I will argue, their approach to diplomacy was based on their intuitive, personal sense of whom the United States could trust,

and who demanded a degree of doubt and cynicism, rather than an abstract model of international behavior on the part of nation-states.

I contrast the Practical Men with the Foreign Policy Experts, who were the products of the changes in American higher education. As urban centers increased demand for professionals, universities responded by creating standards for education and scholarship, thus funneling students into these occupations and supporting the growing middle class (Bledstein 1976: 286). University professors became more prestigious, and research a more respected vocation. More people held advanced degrees, specializing in more subject areas.

The growth of the social and psychological sciences in particular created new knowledge that was applicable to the increasing international demands of the United States. An early instance of academic expertise being mobilized in the practice of diplomacy is “The Inquiry”: a coterie of academics charged with accompanying President Woodrow Wilson to Paris to provide with reliable information on the conditions in Europe following the First World War to help him negotiate the Treaty of Versailles. Responding to their call, these scholars relied on their abstract knowledge and research skills, drawing on “books, maps, and documents they could locate, principally in the Library of Congress and the Columbia University library (Grose 1996: 3).” However, once they got to Paris they were blindsided by the imperative to come up with practical solutions, as Grose quotes a member of Wilson’s administration: “Also, to their surprise, they found themselves assigned to work on multinational committees—not to study problems but to come up with practical solutions. They found themselves down from the ivory tower, testing something with their feet that might be either rock or quicksand.”

This episode illustrates both the sharp divide between the two groups in their approach to diplomacy, and their relative positions. Coming from the professional fields of business and law,

and as a result endowed with both financial and social capital, the Practical Men were dominant in the political field. They had privileged access to the highest offices in the foreign policy bureaucracy, the ear of prominent politicians and journalists, and the economic means to build institutions dedicated to enshrining their views in the practice of diplomacy. FPEs, to the degree they were involved in diplomacy, were in a subordinate role. As Grose writes of the Inquiry scholars during their voyage to Paris by boat: “Suspicious diplomats of the Department of State saw to it that these amateurs in foreign policy were confined to quarters in the lower decks (Grose 1996: 5).”

The hierarchy is further illustrated by the story of the founding of the Council on Foreign Relations. It was made up in part by the scholars of the Inquiry, who sought to continue their associations once they returned from Paris. During the same year, a group of businessmen and lawyers in New York City began a club called the Council on Foreign Relations. In 1921, the two groups merged to form the modern Council on Foreign Relations, financed by the men of law and business, with the intellectual substance provided by the academics (Grose 1996: 8). However, especially for the first few years, the former were the dominant group. The Council was a gentlemen’s club first and foremost, not unlike others that were popular in New York City at the time such as the Metropolitan (Grose 1996); more social than academic. Its members would meet for dinner and discuss foreign affairs informally. Elihu Root, the founder of the Council, was intent on developing a research arm, funding the journal *Foreign Affairs* that was dedicated to discussion of various topics of foreign affairs, and bringing in guest speakers to some meetings. Some of the authors of those journal articles, or guest speakers, were academics, but the core members of the Council were from the worlds of law and business, involved in international affairs in a private capacity and keen to discuss them.

This distinction is particularly evident in the language used to distinguish between the two groups. In Hofstadter's famous study (1963) of *Anti-Intellectualism in American Life*, he identifies the word 'egghead' as a commonly-used way to insult someone "of spurious intellectual pretensions." He locates the tension between the egghead and the Practical Men in the Progressive Movement, noting that their popular image was one of an effeminate intellectual. Theodore Roosevelt, who adopted an overtly-masculine image, sought to challenge this view of the Progressives. But this tension persisted: Practical Men distinguished themselves from eggheads by not indulging too much in intellectualism.

Hofstadter argues that the tension between the two can explain some of the political shifts in American history. When President Franklin Roosevelt sought to implement the New Deal, he convened a "brain trust" of intellectuals, signifying their rising status in American culture. But, the election of President Eisenhower in 1950 represented the rejection of the intellectual, who was seen to have distanced himself too far from the everyday American. In the view of journalist David Halberstam (1969), this was the sentiment of the Kennedy administration as well, weary of overt-intellectualism and keen to cultivate a contrasting image of activity and youthful vigor.

'Egghead' is used frequently in Halberstam's famous (1969) study of the foreign policymakers who led the US into Vietnam. The practical men, such as Robert Lovett who ran the defense department, and James Forrestal who succeeded him, were contrasted with the 'eggheads' such as George Kennan, who was a central figure in crafting America's Containment policy towards the Soviet Union, but was eyed with general suspicion. Other figures skirted the line: George McBundy was described by Halberstam as being an "egghead, but he was safe." He was a former Harvard professor, but possessed a charisma that endeared him to the professionals

at the top of the bureaucracy, including President John F. Kennedy, that differentiated him from the other intellectuals.

Hofstadter argues that there is an uneasy alliance between the eggheads and the Practical Men. The latter finance the former, and respect them to a degree, but retain a clear social distance and are quick to disparage them. The former rely on the latter to finance their intellectual pursuits, but also feel constrained by having to answer to them. As I will show, this dynamic is evident in the FPEs who sought to branch out of the orbit of the Council, and develop their own institutions dedicated to their point of view, rather than that of their financial backers.

This distinction between the Practical Men and the FPEs will later prove crucial in the struggle over orienting American foreign policy towards globalization on the one hand, and the Cold War on the other: a defining tension of American foreign policy by the 1970s. Where the Practical Men were focused on waging the Cold War, the FPEs were challenging its priority status and emphasizing globalization. However, despite this tension in the postwar period, in the turn of the twentieth century the Practical Men were playing the role in American politics of attempting to draw the American government and public into understanding the country's role in world affairs. The United States emerged as a world power in the period from the Civil War to the turn of the century (Zakaria 1998), in part led by the corps of professionals such as lawyers and bankers who were at the forefront of promoting trade and financial exchange across national borders which helped spur American economic development (Beckert 2001). As Dezalay & Garth (2006) note, they managed the finances and represented the interests of the large corporations and wealthy industrialists that emerged during this period, whose wealth was increasingly tied to foreign holdings. Thus, they were acutely aware of how America's recent rise to wealth and power was tied to its relationship with the wider world.

It is unsurprising, therefore, that they would be interested in turning the American public's attention to the wider world. Root's (1922) inaugural publication in *Foreign Affairs*, CFR's flagship journal, was titled "A Requisite for the Success of Popular Diplomacy," which introduced the journal's mission to draw public attention to America's foreign interests. Moreover, as the years between the turn of the century to the early 1920s featured intense political contestation over foreign policy, from the War with Spain in 1898 to the First World War, the Practical Men were positioned against an isolationist strain in American politics, best exemplified by the Congressman and Presidential candidate William Jennings Bryan (Zimmerman 2002).

There is a degree of historical irony to the eventual division between the Practical Men and the FPEs. The former fought to introduce foreign affairs into American political life, and ushered in a generation of FPEs through the organizations that they established. Subsequently, the FPEs would go on to argue that the Practical Men were insufficiently sensitive to the complexities of international politics; their Cold War paradigm ill-equipped to face the modern world. Thus, the success of the Practical Men in drawing attention to America's foreign interests sowed the seeds of their eventual subordination to expertise.

Thus far in this section, I have traced the history of diplomacy to twentieth century America, and set up a divergence between 'Practical Men' on the one hand, and 'Foreign Policy Experts' on the other, who occupied positions in the American foreign policy bureaucracy. This divergence is the basis for the case studies, which will be briefly introduced in the following subsections. Perceptions of what would become 'globalization' by the FPEs were inextricable from their professional context in American foreign policy, whereby they were attempting to orient it away from the priorities of the Practical Men, the Cold War, and towards the

phenomenon which they re-named twice; beginning with ‘integration,’ then ‘interdependence,’ and culminating in ‘globalization.’

I.IIIId The First Case Study: ‘Integration’ or the Cold War

In the following three subsections, I will apply the theoretical framework to the empirical cases, thus previewing the empirical content of the project, but focusing on how the theory applies.

The first case study takes place between 1947 and 1949, at the outset of the Cold War. It follows George F. Kennan, a forerunner of the FPEs, and the Practical Men who launched the Cold War. Kennan sought to organize American foreign affairs around ‘integration’; to manipulate it to achieve a specific international configuration of power that could both encourage cooperation while respecting sovereignty. He felt that managing this phenomenon should be at the center of American foreign policy, rather than the Cold War, which he subsumed within a holistic picture of how international relations should be organized, both geographically and over time.

This was Kennan’s diagnosis of ‘integration’; the early linguistic tool that would eventually become ‘globalization.’ Kennan sensed that there was a fundamental change taking place in the nature of international relations: European states were pursuing economic unions that were taking previously-sovereign state functions and making them supranational. The Marshall Plan, which was a multi-year program of the United States to finance the reconstruction of Western Europe and Japan, was also blurring the national boundaries between those states. In the immediate aftermath of the Second World War, Kennan sensed that this shift towards greater integration was a harbinger for changes that would take place in the future, and he sought to orient American foreign policy towards it.

Kennan's view is contrasted with the more commonly-known approach to American foreign affairs; the years following the Second World War were the preamble for the Cold War, and by 1950 the United States pursued a rearmament program to wage it. There are several approaches to conceptualizing the ideology behind this in the literature; for this chapter I will be drawing on Michael Hogan's (1998) characterization of the "national security managers" who came from Ivy League Schools, the boardrooms of East Coast corporations and financial firms; essentially the Practical Men. In his telling, they subscribed to a "national security ideology" which regarded the Cold War as a moral conflict between good and evil, and thus demanded a build-up of the national security apparatus to wage it.

However, I diverge from Hogan in how I conceptualize ideology. Because of the rapid changes in the international environment in the postwar period, the direction of American foreign policy was ambiguous; it was not a given that the Cold War would become an animating issue. Therefore, the direction of American foreign policy was open to capture. In this context, the Practical Men, possessing the veneer of legitimacy gleaned from their leadership in the Second World War, capitalized on their reputations to direct American foreign policy in their desired direction.

Therefore, they were not intellectually-beholden to the theoretical tenets of an abstract "national security ideology." As previously-discussed, their predilection to suspicion of the Soviet Union was more a function of their faith in their 'practical sense,' and a conviction that leadership requires a 'hard-nosed realism.' Quotes from Isaacson & Thomas (1986) and Halberstam (1969) reveal a cynicism regarding the personal motivations of Soviet leaders, and a view that shouldering the responsibility of global leadership requires a sober and realistic view of the international environment. As the Soviet Union challenged America's position in Europe in

the postwar years, and then subsequently in East Asia and through the development of the atomic bomb, their cynicism hardened, as did their conviction that the American-Soviet rivalry should be at the center of American foreign policy.

I contrast their practical disposition with Kennan's; that of an intellectual, who took a more analytical approach. The relationship with the Soviet Union concerned him, but he saw it in a larger geopolitical and temporal context. While he believed that there was just cause to 'contain' the Soviet Union, he was unwilling to take the more aggressive steps of creating a military alliance with Western European countries, and engaging in a large rearmament program, because he believed that this would be aggravate tensions with the Soviet Union, ruin future possibilities of bringing down the Iron Curtain, and prevent European society from integrating in a way that was most conducive to a prosperous future.

At stake was the direction of American foreign policy. To the Practical Men, Kennan's ideas were utopian, and disconnected from the pressing reality of the Soviet Union. To Kennan, the continued beating of the drum of anti-communism was excessive and wrongheaded. It was broader than just a policy disagreement, it was a dispute over how American diplomacy should be conducted, whether it should foreground the Cold War and engage in an arms race, or whether it should focus on configuring international relations in such a way as to ensure stability.

Concretely, the difference in view manifested in Kennan's preference for a Continental Union on the one hand, and his opponents' preference for an Atlantic Union on the other. Kennan preferred a union of Continental European countries, and a separate grouping of the United States, United Kingdom, and Canada on the other, because he felt that a Continental Union was the only configuration of relations in Europe that could integrate Eastern European countries should the Iron Curtain ever fall. He also argued that it was asking too much of the

United States to maintain a permanent presence in Europe, and that it should plan to disengage from the continent over time. Lastly, he argued that it was imperative for the continent to integrate rapidly in order to contain a re-emergent Germany, and that the United Kingdom was unwilling to devolve the sovereignty necessary to do so, and that it made more sense for it to unionize with the United States and Canada, which possessed much less immediate pressure to integrate.

His opponents' preference for an Atlantic Union, including the United States and the United Kingdom, derived from a conviction that the United Kingdom would be a necessary force on the continent in order to contain Germany, and that the United States would have to be engaged on the continent in the foreseeable future to wage the Cold War. The key difference between the two views was in how they saw the future of Europe and the Cold War; Kennan saw the division of Europe as temporary, and the Cold War as a political conflict that could be managed through diplomacy and eventually overcome. Therefore, in his view, it was necessary to configure international relations to an eventual rebalancing of Europe, away from a status quo which he saw as aberrant and temporary.

He also had a less expansive view of American responsibility, arguing that it did not have the political will or the capacity to maintain a military and political presence on the European continent over the long-term and that Europe should be able to stand on its own. He envisioned Europe as a 'Third Force' on the continent, neutral in the Cold War and able to balance between the United States and the Soviet Union, thus managing a balance of power on the continent. His opponents, on the other hand, were more focused on the short term; they were not planning for the eventual collapse of the Iron Curtain. They had a more cynical view of the intentions of the

Soviet Union, and a more expansive view of America's role in the conflict. They envisioned putting the United States on a permanent war posture in Europe to contain the Soviet Union.

The two ideologies germinated in different parts of the state bureaucracy; the "national security ideology" from the military branch, whereas Kennan was ensconced in the Policy Planning Staff in the State Department, insulated from military personnel by a cadre of intellectuals. Over time, however, as the Cold War became an evermore pressing issue, Kennan's view was overrun by the "national security ideology," his waning influence fully-liquidated by the appointment of Dean Acheson as the Secretary of State in 1949, and the subsequent replacement of Kennan as head of the PPS by Paul Nitze; both adopting the view that the Cold War was the most pressing issue facing American diplomacy.

However, opposition to Kennan comes not only from Practical Men who articulate an ideological zeal for waging the Cold War, but from fellow intellectuals in the State Department who express a preference for an Atlantic Union, not on the grounds that it would help repel the USSR, but that it would be the only path forward for European integration and the only solution to the 'German Problem.' Nevertheless, preference for an Atlantic Union was compatible with the "national security ideology" in that it envisioned a permanent role for the United States in Europe, particularly with a military presence. And by 1950, when Acheson became the Secretary of State and Nitze the Director of the PPS, they published NSC-68 which merged the reasoning behind pursuing an Atlantic Union with the impulse to wage the Cold War.

Though Kennan was unable to orient American foreign policy away from the Cold War and towards integration, his arguments were merely a preview of a larger movement amongst practitioners of American foreign policy, who would articulate a more expansive view of

integration than Kennan, and from a more powerful position within the American foreign policy hierarchy, generating significant influence over American foreign policy.

I.IIIe The Second Case Study: The Diagnosis of ‘Interdependence’

The second case study spans the 1960s and 1970s. It itself is broken up into two primary episodes. The first is the Atlantic Policy Studies Series (APSS), commissioned by the Council on Foreign Relations (CFR) in 1960 to evaluate the state of relations between the United States and Western Europe. ‘Interdependence’ was coined during this Study Series by Richard N. Cooper, whose 1968 book *The Economics of Interdependence* became a touchstone for the subsequent advocacy of the paradigm in American foreign policy. APSS was also where Zbigniew Brzezinski developed some of his ideas surrounding a global coalition to manage the Cold War and bring it to an end. Thus, APSS serves as a key juncture in the development of the ‘interdependence’ paradigm. Where Kennan described ‘integration’ as a nascent dynamic, with only a few years of detail with which to describe it, Cooper and Brzezinski described ‘interdependence’ as a phenomenon well underway, fundamentally changing the fabric of international relations and social life more broadly.

The second historical episode of the case study takes place during the 1970s, as the FPEs work to implement their views in American foreign policy. Several dynamics take place during this period that catapult their standing. The FPEs build think tanks and journals dedicated to articulating their views, which become entrenched organizations in Washington DC; part of the “crystallization of the space of think tanks” that took place during this decade (Medvetz 2012). The language of foreign relations that they developed began to migrate into the political speech of American presidents and top foreign policy officials, partly as a way to signal a shift in policy away from the Vietnam War, which was increasingly unpopular. Their ideas also resonated

during a period when relations with the Soviet Union had improved due to an arms control agreement, and international economic crises: the collapse of the Bretton Woods system and the oil crisis of 1973, made their views more salient to the period. This culminated in their entry en masse into the Carter administration; Brzezinski's think tank, the Trilateral Commission, which President Carter joined in 1973, served as a recruiting ground for President Carter's foreign policy team (Chomsky 1981), with Brzezinski becoming his top foreign policy advisor.

The rise of the FPEs corresponded to a shift in the landscape of foreign policy expertise. During the postwar period, the Department of Defense invested significant sums in developing institutes devoted to waging the Cold War, including National Laboratories devoted to physical sciences (Wolfe 2013), and university-affiliated institutes dedicated to the social sciences (Rohde 2013). The latter included organizations studying Russian society itself, nuclear defense psychology, amongst others. In these institutes, the FPEs were able to professionalize as practitioners in the foreign policy space and create a new kind of person: a foreign policy practitioner with an advanced degree. By the 1970s, they were poised to wrest influence over American foreign policy from the Practical Men. Where the Practical Men had maintained significant influence over American foreign policy in the postwar period, the Vietnam War tarnished their credibility (Halberstam 1969; Grose 1996). 'Interdependence,' as Brzezinski (1970) argued, was inherently a process of increasing complexity that required scientific expertise to manage. Thus, in arguing that American foreign policy should turn towards interdependence, the FPEs were simultaneously making the case for their own professional ambitions.

The turnover in the culture of diplomacy in American foreign policy facilitated the ascendance of interdependence as a paradigm. This chapter advances the relational theory of

globalization by demonstrating how the dynamic was conceptualized within the context of the changing landscape of American foreign policy expertise.

I.IIIIf The Third Case Study: ‘Interdependence’ becomes ‘Globalization’

The final case study traces the transition from ‘interdependence’ to ‘globalization’ as the linguistic tool used to conceptualize the change taking place in the international environment. It begins with the failure of the Carter administration to implement the vision of the FPEs through the ‘locomotive’ strategy at the Bonn Summit in 1978, and traces the subsequent trajectories of the FPEs through the 1980s, as their conceptualizations of the international environment morphs subtly from ‘interdependence’ to ‘globalization.’ This shift reflects the increased use of the term ‘globalization’ in the public lexicon during this period, but also, a fundamental change in how the FPEs perceived the international environment.

In the 1970s, during the height of ‘interdependence,’ the FPEs sought to manage the phenomenon through interstate cooperation. As ‘interdependence’ implied a dynamic in which nations would be increasingly affected by international dynamics, the idea was to manage interdependence on the international level. As Cooper (1968) put it, states would cede some formal sovereignty by transferring authority over certain state functions to the international level, particularly control over money, but gain autonomy as the international control of money would be commensurate with its international dynamics, thus it could be managed in the interests of individual nations, rather the nations trying to manage the same problem at cross-purposes.

When the FPEs were unable to implement their plans to manage interdependence, they increasingly turned to markets to address those same dynamics. This reflected the shift from ‘interdependence’ to ‘globalization.’ Initially, FPEs such as Bergsten used phrases such as ‘market globalization’ or ‘financial globalization’ to refer to the rapid increase in the volume of

capital across borders following the shift to floating exchange rates and the removal of capital controls in the 1970s. However, this shift in terminology quickly became more encompassing; ‘globalization’ started to mean something beyond just the spread of financial markets; it replaced ‘interdependence’ for the operative term to conceptualize the change in the international environment. The FPEs did not invent the term ‘globalization,’ nor were they responsible for popularizing it. Rather, from tracing their perceptions over time, we get a clearer picture of ‘globalization’ as the term became widely used, tracing its path from ‘integration,’ to ‘interdependence’ and finally ‘globalization.’

This shift occurred alongside a commensurate change in the structure of American foreign policy expertise. Where in the 1970s, ‘interdependence’ was the underlying paradigm for FPEs that spanned the different areas of foreign policy: issues of defense, diplomacy and economic policy, by the 1980s the project to orient American foreign policy wholly around those issues in relation to interdependence had run aground. However, the economic dimension of this change was picking up speed with the spread of financial markets. Concurrently, economist and FPE C. Fred Bergsten founded the Institute for International Economics (IIE) in 1981; a think tank specifically dedicated to managing international economic relations from the perspective of American foreign policy. IIE still published works oriented around ‘interdependence’ well into the decade, but the institute quickly became known as the primary advocate for globalization in Washington DC.

Other aspects of American foreign policy were swallowed up by different currents of expertise. In response to the disenchantment with American foreign policy following the Vietnam War in the 1970s, a group of intellectuals associated with the democratic party sought to revitalize the Cold War, known today as ‘neoconservatives.’ They succeeded in pulling the

Carter administration, and more strongly the Reagan administration towards prosecuting the Cold War more aggressively. Where in the 1970s, the FPEs were advocating a shift away from the Cold War, by the middle of the decade the neoconservatives had succeeded in capturing some of the direction of American foreign policy, and the institutions of American foreign policy reflected this. Quintessential neoconservative Jeanne Kirkpatrick became the Director of the CFR, signifying the detente between the groups.

By the late 1980s, 'globalization' had become the term of art to describe the change taking place in the international environment. However, implied something slightly different than what the FPEs initially sought to communicate with 'interdependence.' The latter represented an ambition for a wholesale shift in orientation of American foreign policy away from the Cold War towards a diplomatic-economic effort to tie governments together in management of the global economy. 'Globalization,' however, was more narrow; largely confined to the economic realm, managed less by foreign policy officials than those in the Treasury Department, such as Robert Rubin and Lawrence H. Summers who pursued deficit reduction, the creation of the WTO and the implementation of NAFTA. As historian of American foreign policy Hal Brands (2016, 328) notes, the Clinton administration defined foreign policy still as a military-security endeavor; a strategic document for post-Cold War American foreign policy (called the Defense Planning Guidance, or DPG) written in 1991 called for the United States to reinforce its unipolarity and actively seek to prevent instability from arising around the world. The DPG was written in part by Secretary of Defense Richard Cheney and Paul Wolfowitz, both of whom would be central figures in the invasion of Iraq and decade later, and the latter a quintessential neoconservative intellectual.

This section has identified the trajectory of ‘globalization’ as a relational social object from its earliest potential instantiations in human history to its apogee in the early 1990s, its earliest years receiving a synthetic and brief overview that suggests possible avenues for further research, and functioning as theoretical support for the empirical cases, which trace the trajectory of ‘globalization’ since the Second World War in much greater detail.

I.IIIg Data & Methods

This article builds on existing work that traces the political project of globalization through shifts in institutional practices (Chorev 2005; Chorev 2007; Babb 2009; Kentikelenis & Babb 2019), while borrowing from sociological work that emphasizes the role of economists in shaping policy and theories of statecraft (Babb 2001; Fourcade 2009; Mudge 2018; Berman 2022), broadening this slightly to include foreign policy specialists. This approach is applied to American foreign policy, tracing both intellectual struggles and policy changes over time. The emphasis is placed on the experts themselves, resulting in an approach resembling a combination of intellectual history and biography, directed towards excavating the influence of the FPEs on American foreign policy and globalization. This methodological approach is motivated by the contention that social actors who experience and shape historical change are more reliable conveyors of historical data than third-person accounts of scholars (Martin 2011; 23). By capturing the perspectives of FPEs as they navigated the politics of American foreign policy, I trace the emergence of globalization from the ‘inside-out’ (Hirschman & Reed 2014; Mudge 2018, 27; McCourt & Mudge 2022), showing how they were compelled to whittle down the ambition of their initial project, and achieved a qualified success.

In privileging the perceptions of the subjects of the study, I rely on their scholarship as the primary source of data to construct the historical narrative, contextualizing it using existing

secondary historical sources. As academics, the FPEs produced a copious amount of scholarship, outlining both their theories and their political intentions. As occupants of the interstitial space between American foreign policy and the academic world, we read their work both as scholarship and efforts to position themselves in the politics of American foreign policy. In other words, their work represents the best representation of how they were seeing the world, arguably more so than archival data. For example, in addition to the scholarship produced by the Atlantic Policy Studies Series (APSS) where Cooper and Brzezinski first formulated the tenets of ‘interdependence,’ we collected hundreds of documents from the Council on Foreign Relations archives on the APSS. The meetings of the study group were transcribed verbatim, thus the documents provided some novel insights into the social dynamics and professional tensions within the APSS. Ultimately, however, they proved inferior to the actual scholarship produced by Cooper and Brzezinski in setting out the tenets of ‘interdependence,’ as the paradigm was a scholarly product best elucidated in academic-like work, rather than through the more limited medium of verbal communication. While there were several notable figures who objected to Cooper and Brzezinski’s ideas during the meetings, their subsequent influence on American foreign policy was minimal, and thus their resistance amounted to a tangential detail; relevant in a thorough reconstruction of the historical record, but less so to a social scientific argument regarding the influence of the FPEs on globalization.

Where archival data proved most useful was the records of the State Department of speeches given by Presidents and key foreign policy advisors during the height of the popularity of ‘interdependence’ in the early to mid 1970s, where the term was widely deployed. As there is little in the way of a historical record of the influence of the ‘interdependence’ paradigm on American foreign policy, archival data was necessary to demonstrate its influence during this

pivotal period. However, the historical detail not covered by these archival sources was sufficiently filled in by existing histories; both of American foreign policy (e.g. Craig & Logevall 2009; Gaddis 2005; Vaisse 2010, Vaisse 2018) and of international economic history (e.g. Odell 1982; Helleiner 1994). A key source of data for the influence of the FPEs during the Carter administration was historian Carl Biven's (2002) history of the administration's economic policy, which treats the FPEs as a distinct interest group (though known as the 'Trilateralists') within the administration, and provides abundant detail regarding their political activity.

But beyond these exceptions, the FPEs' scholarship and written reflections on American foreign policy and international economic issues provide more than sufficient data to construct this narrative. They narrated their own political trajectories, both outlining their intellectual views, but also explaining their motivations for their professional maneuvers, particularly their founding of different organizations such as *Foreign Policy* magazine, the Trilateral Commission, and the Institute for International Economics. They assiduously published commentaries on major political and economic developments, providing ample material to tie them into a historical narrative of the period from the 1960s to the 1990s. C. Fred Bergsten, the founder of the IIE, was an especially prolific writer, publishing countless articles from the early 1970s to the 1990s, resulting in several compendiums of his work, covering different historical periods (e.g. *Managing International Economic Interdependence: Selected Papers of C. Fred Bergsten, 1975-1976*).

Though I rely on the published works of the FPEs as the primary source of historical data, I have generated my own interpretations. I provide a birds-eye view of the historical narrative, where the FPEs, writing about their historical contexts and careers in real time, did not. Their evolution from Keynesian advocates of intergovernmental cooperation to market advocates

is only visible from our external reconstruction of their careers. By comparing their policy recommendations in the early 1970s to those in the late 1980s, I can demonstrate an evolution of views. And by tracing their trajectories in the intervening years, I argue that this evolution occurred as a natural consequence of meeting persistent political roadblocks, and making adjustments. In preserving the right to interpret their stories, I guard against the risk that we become credulous of their perceptions. While I privilege not contradicting their perceptions of their own biographies, I balance their views with those already present in the historical record. Thus, I provide a narrative that is both consistent with their self-perceptions, and offers novel insight into their influence on American foreign policy and globalization.

Chapter 2

The First Case Study

This chapter is a case study of George F. Kennan's attempt to orient American foreign policy away from the Cold War and towards integration between the years of 1947-1949. This chapter begins the empirical explanation of the relational theory of globalization, by tracing its initial iteration as 'integration.' By following Kennan as he articulated this diagnosis of the international environment, I show how 'globalization's' initial iteration was articulated in the context of postwar American foreign policy. This chapter relies on the archives of the Policy Planning Staff of the State Department (PPS), collected from the National Archives in Maryland, when Kennan was its director. The chapter is broken up into two sections. The first provides the historical and theoretical context for the empirical content. The second provides the empirical content.

II.I Integration, the Cold War, and George F. Kennan

This section provides the historical and theoretical context for the empirical content. Subsection II.Ia sets the historical context for integration: amidst the aftermath of the Second World War, the deepening relationships between the United States and Western Europe, and the shadow of a threatening USSR. Subsection II.IIb outlines the struggle between the Practical Men and George F. Kennan over the orientation of American foreign policy. Subsection II.IIc provides some historical background for the Practical Men's economic and political position following the

Second World War, through tracing their creation of the ‘national security state.’ Lastly, subsection II.IId justifies the selection of George F. Kennan as the subject of the empirical case.

II.Ia Historical Background of ‘Integration’

This case study takes place during the postwar years, when ‘integration’ started to become a factor in American diplomacy; ‘integration’ meaning increasingly proximate relations between countries, including increased trade, diplomatic and cultural exchange, even extending to shared international institutions. The topic had been a prominent theme during the Second World War. Allied leaders understood that it carried both benefits and risks, and sought to manage it to preserve the peace. At the outset of the conflict, President Roosevelt and Prime Minister Churchill issued a joint statement, later called the ‘Atlantic Charter,’ which called for a postwar world in which countries would both respect one another’s sovereignty, while endeavoring to cooperate as much as feasibly possible (Hoopes & Brinkley 1997). Towards the conclusion of the war, the major allied powers had created the United Nations organization, which provided an international platform for countries to manage their relations.

Managing integration became a key task of American diplomacy in the postwar years, as policy questions over the Marshall Plan, the North Atlantic Treaty Organization (NATO), and European Union drew the attention of American policymakers. The imperatives for ‘integration’ were both practical and idealistic. Policymakers were concerned that a resurgent Germany, just several years removed from Nazism, remained a threat to the continent. They hoped that an integrated Europe would provide a framework to contain Germany’s rise and prevent it from dominating the continent. They also figured that an integrated Europe would be a stronger force

in containing the Soviet Union. On the idealistic side, they were optimistic that integration could provide an international basis for more effective diplomacy and economic growth, thereby generating prosperity and preventing future conflicts.

However, disagreements emerged over how to conduct American diplomacy around ‘integration.’ The Practical Men who occupied positions of leadership in the foreign policy bureaucracy understood ‘integration’ in the context of the Cold War, which they foregrounded as the primary problematic of American foreign policy. A dissenting view, held by George F. Kennan, who was the Director of the Policy Planning Staff (PPS) at the State Department, perceived ‘integration’ to be more important than the Cold War, and regarded the effort to manage it to achieve a specific international configuration of power that could both encourage cooperation while respecting sovereignty the ultimate aim of American diplomacy. This chapter traces the development of his views and how they were overrun by the Cold War. The following section describes the ideological divergence in more detail, and explains why Kennan is the subject of the chapter.

II.Ib The Struggle Over the Approach to Postwar American Foreign Policy

The years following the Second World War were the preamble for the Cold War, and by 1950 the United States pursued a rearmament program to wage it. There are several approaches to conceptualizing the ideology behind the Cold War in the literature; for this chapter I will be drawing on Michael Hogan’s (1998) characterization of the “national security managers” who came from Ivy League Schools, the boardrooms of East Coast corporations and financial firms; essentially the Practical Men. In his telling, they subscribed to a “national security ideology” which regarded the Cold War as a moral conflict between good and evil, and thus demanded a build-up of the national security apparatus to wage it.

As previously-discussed, I diverge from Hogan in how I conceptualize ideology. Where Hogan ascribes the national security ideology to the national security managers as a group, I do not assume their ideological commitments based on their group identity. Rather, I conceptualize the ‘national security managers’ as sharing a disposition: that of a ‘Practicality’ (which is explained in the previous chapter). For each Practical Man discussed in the chapter, I explain how their background informs their disposition and thus their social action, thereby linking their disposition to their ideology without assuming it from their group identity. In other words, I historicize each actor such that their social action makes sense within their historical context.

This chapter is a story of how Kennan’s preferred approach to American foreign policy was overrun by the pressure exerted by the Practical Men, who sought to foreground the Cold War as the imperative problem for American foreign policy. In field terms, the stakes are control over how American foreign affairs are conducted, and the struggle over them is between a ‘Practical’ approach in which cynicism and ‘realism’ regarding the Soviet Union are prized on the one hand, and an analytical approach, in which configuring the larger geopolitical picture is emphasized on the other. As the former approach succeeds, the Cold War is foregrounded in American foreign policy at the expense of ‘integration.’ As will be discussed later, in policy terms, this translates into Kennan’s preference for a Continental Union that could facilitate the future reunification of Europe losing out to an Atlantic Union that could present the strongest possible front against the Soviet Union.

However, as will be shown in the empirical portion of this chapter, resistance to Kennan’s views within the PPS largely came not from the Practical Men, but fellow intellectuals who staffed the body or were brought in as outside consultants; people like the theologian Reinhold Niebuhr, professor of international relations Arnold Wolfers, and diplomat Llewellyn Thompson.

Though not necessarily sharing in the Practical disposition, their opposition to Kennan largely coalesced around the conviction that the United States had to be actively involved in a union with European countries. Rationales included the skepticism that Europe would be able to successfully integrate otherwise, that a European Union without the United States would give Germany too much power, and that the Soviet Union could not be successfully contained otherwise.

While not sharing in the Practical disposition, and did not articulate the zeal to wage the Cold War that Hogan attributes to the Practical Men, their views nonetheless aligned; both favored an Atlantic Union over a Continental Union. However, the disagreements revealed in the discussions within the PPS were analytical rather than dispositional; Kennan's opponents shared his analytical approach, but arrived at a different conclusion, showing that in the late 1940s, an analytical approach did not necessarily lead one to prefer a Continental Union.

However, I contrast Kennan's approach with that of the Practical Men not because the archival materials reveal significant disagreement between them (though there is some), which makes sense given that they occupied different positions within the bureaucracy, but because the approach of the Practical Men became the governing mode of American foreign policy. Though the views of Kennan opponents within the PPS aligned with the Practical Men, ultimately the Practical Men occupied leadership positions within the bureaucracy and carried out American foreign policy in their preferred style. It was only by the 1960s and 1970s when the analytical approach, held by a critical mass of technical experts who were questioning the Cold War, threatened and eventually toppled the Practical approach.

This chapter is dedicated to tracing the emergence of the analytical approach, but in the following subsection I will briefly discuss the emergence of the ‘practical’ approach to present the opposing approach to which the analytical approach lost out.

II.Ic The Practical Men, the National Security State and the Cold War

As previously discussed, the Second World War lionized the Practical Men for their leadership during the conflict, and they traded-in on their exalted reputations to occupy commanding roles in the American foreign policy bureaucracy. This describes numerous people, who include but are not limited to Averell Harriman; a key diplomat during the war, and served as a diplomat to the Soviet Union and to Britain after the war as well as taking a leadership role in the Marshall Plan. Robert Lovett, who was responsible for the expansion of the Air Force during the war, and who served as the Undersecretary of State and Secretary of Defense. James V. Forrestal, who was Secretary of the Navy during the war and afterwards became the first Secretary of Defense. Dean Acheson, who was assistant Secretary of State during the war and responsible for American international economic policy, became the Undersecretary of State and then Secretary of State. All men fit the type of Northeastern elite, educated, professional in law or finance.

Hogan called them ‘national security managers’; in his words: “These officials...were neither elected politicians nor permanent government bureaucrats...most were "in-and-outers,"...in effect, a Cold War version of the dollar-a-year men who had left the private sector for government service in the First and Second World Wars...the most prominent figures were lured into government service from corporate board rooms, financial institutions, and Wall Street law firms (Hogan 1998: 4).”

Hogan locates the origins of the ‘national security ideology’ in the efforts to rationalize the military bureaucracy since the Second World War, led by James V. Forrestal and his friend Ferdinand Eberstadt. The reorganization plan drew on the professional corporate experience of Forrestal, Eberstadt and their colleagues, as Hogan writes:

“Eberstadt's first order of business was to assemble a group of experts to help prepare his report to the secretary. As Jeffery Dorwart has pointed out, the group consisted largely of naval reserve officers who had graduated from Ivy League universities, were on the faculty of these universities, or were connected with the leading Wall Street investment firms and law offices. These experts in turn leaned for information and advice on leading scientists, journalists, and trade unionists, and especially on such prominent figures in business and banking as Bernard M. Baruch, Owen D. Young, Paul G. Hoffman, Nelson Rockefeller, John Foster Dulles, John Hancock, and Eric Johnston. Many of these business and banking leaders had served in various war mobilization agencies, and most were committed to corporative schemes of decision making in which responsibility was shared among government agencies and between public and private leaders. All urged a permanent program of postwar preparedness, and all wanted that program to be implemented through a set of national security institutions run by skilled experts and linked to the private sector through a system of advisory committees. These institutions would mobilize the nation's resources for defense, coordinate military and civilian requirements, and harmonize national security policies across the government.”

This program of professional reorganization pursued by Secretary Forrestal and Eberstadt was reminiscent of the state-making impulse of the Progressive era, whereby corporate professionals from the Northeast remade government bureaucracy to function more efficiently. However, this reorganization effort also contained a sharp ideological bent. When they were selling the reorganization effort to Congress between March and July of 1947, their arguments rested on the premise that it equipped the United States for an age of “total war,” which Hogan describes as a “permanent blurring of the usual distinctions between war and peace, citizen and soldier, civil and military.”

This view was not universal amongst the senior figures of the foreign policy bureaucracy. For example, General Marshall, the Secretary of State, a decorated hero of the Second World War and the namesake of the Marshall Plan, envisioned a pared down American military presence in Europe. However, the Joint Chiefs of Staff, a new institution of military leadership created by the effort to reorganize the military, emphasized the military contingencies of the US-Soviet relationship, and pushed to prepare for worst-case scenarios, thereby calling for a significant expansion of the American military.

The expansion of the military coincided with the acceleration of the Cold War. From Stalin’s strident commitment to communism and the security of the Soviet state, the Berlin blockade in 1948, the successful detonation of the Soviet atomic bomb and the overthrow of the nationalist government in China by the communists in 1949 all bolstered the case for a national security state. As will be discussed later, by 1950 the United States committed to a national security strategy to wage the Cold War, with an accompanying re-armament program. For now, I turn back to Kennan, and justify my choosing him as the subject of this chapter.

II.Id George F. Kennan as the Subject

This archival material from this chapter is drawn from the Policy Planning Staff (PPS) at the State Department, but the main subject of is not the institution but its first director: George Frost Kennan, a career diplomat and expert on Russia. One could question the decision to dedicate an entire chapter to Kennan. This project is about the emergence of globalization expertise, which does not emerge in a meaningful way until the APSS, which is discussed in the next chapter. There is no natural continuity from Kennan to the protagonists of the following chapter; he was not and never became part of that intellectual circle. He has no relationship with the globalization experts that are the subject of this project.

Nevertheless, his story is crucial for understanding American globalization expertise, because it emerged from the struggle to unseat the Cold War as the animating problem of American foreign policy. That is, it is impossible to understand the emergence of American globalization expertise without understanding how its proponents sought to foreground it in American foreign policy at the expense of the Cold War. And Kennan's case is the essential prologue to that story. At the outset of the Cold War, the tension between Kennan's vision for American foreign policy and those of his more Cold War-minded colleagues mirrors the tensions that the globalization experts faced in the subsequent decades. It illustrates the divergence in priorities that would characterize the fundamentally-distinct approaches to American foreign policy. There is some divergence in the policy details between Kennan's vision and that of the globalization experts discussed in the next chapter, the most salient is that Kennan's vision for a Continental Union is never revived. But the firm rejection of a permanent division of Europe, and a general de-prioritization of relations with the Soviet Union runs through both Kennan's views expressed in this chapter, and the discussions at the APSS and beyond.

As described in the previous chapter, I conceptualize the globalization experts as ‘foreign policy experts,’ and Kennan can be understood as an early example of this type of person, though without the institutional capacity nor the bureaucratic skill to translate his ideas into policy. While the PPS was an institutional home for ‘technical experts’; employing diplomats, economists and area specialists, and inviting professors to consult, it was too small to institutionalize ‘technical expertise.’ In the subsequent years, funding from the military and from private foundations catalyzed a rash of institution-building at universities, think tanks and within the government bureaucracy that created a space for ‘technical expertise’ to develop and exert a palpable influence over American foreign policy. But in the late 1940s, demand for Kennan’s kind of knowledge was fickle; the Practical Men were receptive to his analysis of the Soviet Union when it coalesced with their own views, but dismissed them when they diverged.

However, it is not a coincidence that Kennan’s analytical approach would resurface a decade later, as the military and private funding ironically cultivated the kind of expertise predisposed to the analytical approach Kennan employed. The intellectuals employed by these organizations approached international relations differently than the professionals from business and law. Intellectuals, in Mannheim’s (1936) view, are distinct from laymen in their capacity to break free of the mental boundaries enforced by one’s class position, and to consider the “contradictory” points of view and provide a “dynamic synthesis.” The Practical Men, whatever their motivation, quickly settled into a hardened skepticism of the Soviet Union. Kennan, by contrast, sought to retain a view of a larger geopolitical picture, of which relations with the Soviet Union were only one part. This impulse to consider alternatives to the prevailing status quo would resurface decades later by intellectuals, leading to similar conclusions. This is a function of the distinct dispositions of the two types of people.

Kennan left the PPS without his lofty plans for a reconfigured geopolitical landscape having much influence on American diplomacy. His contribution, however, lies in the intellectuals who succeeded him a decade later. They re-ignited the struggle to center ‘integration’ in American diplomacy, and articulated the worldview that would animate a rash of institution-building and knowledge-production in the 1970s and 1980s, which culminated in the focus on ‘globalization’ in American foreign affairs in the 1990s.

Kennan’s contribution is also notable for his early articulation of the tension between integration and sovereignty, and regarded managing that tension as an important task of American diplomacy. The imperative to contain Germany exerted significant pressure for European countries to integrate, alongside the reputed economic and political benefits of integration. However, as Kennan noted, there was a limit to which countries could devolve their sovereign capacity to rule, and he encouraged governments to think about the balance between integration and sovereignty. He feared that devolving sovereignty too aggressively would cause national political communities to feel a loss of autonomy over their national policy, and subsequently over their own lives, risking a political backlash to integration that could imperil the nascent and fragile interstate system.

His sensitivity to this tension contrasted with the approach that foregrounded the Cold War, which subsumed questions of sovereignty under the imperative to wage the conflict. The pressure to form an Atlantic Union was partly a function of the desire to present a united, strong Western front against the Soviet foe. However, Kennan argued that such thinking risked trampling over the sovereignty of states. Particularly the United Kingdom, which was very hesitant to devolve its sovereignty to Continental European countries which it had either just

fought in a war in the case of Germany, or had just experienced their collapse as an ally in the case of France.

This sensitivity to the tension between integration and sovereignty would animate the thinking of globalization experts in subsequent decades, and would become a central issue in managing integration in the 1960s and 1970s. Kennan's views in the late 1940s are therefore a harbinger of the direction of thinking around the topic. In the following section, I move to the empirical content, discussing the development of Kennan's views, drawing on archival materials from the PPS.

II.II Kennan's Rise and Fall in the PPS

This section provides the empirical content of the first case study. Subsection II.IIa moves through archival materials spanning 1947-1948: the founding of the PPS, the implementation of the Marshall Plan, and the founding of NATO. During this period, Kennan's early concerns are introduced as the Cold War begins to take shape. Subsection II.IIb covers the year of 1949, during which Kennan articulates his clear vision of integration and how it should orient American foreign policy. Subsection II.IIc covers the years following his resignation and the failure of his vision in favor of the Cold War, as American relations with Europe are subsumed under an 'Atlantic' Cold War framework.

II.IIa The PPS, the Marshall Plan & NATO

The story of the emergence of Kennan's vision for the future of international relations begins with the founding the PPS, where he held the position of Director and submitted studies and memos to the leadership of the State Department. From his position, Kennan weighed in on

the big policy questions of the period: the Marshall Plan and the formation of the Atlantic Military Alliance (which would later be called NATO). Through these policy questions, in the context of deteriorating relations with the Soviet Union, Kennan fashions an analysis of the geopolitical situation and articulates a vision of his preferred future; one which begins to diverge from the centrality of the Cold War in American foreign policy. In this section, I show how Kennan's views develop over these policy questions between 1947 and 1949.

The archival materials for this section are drawn from the documents of the Policy Planning Staff at the State Department. The PPS is significant because it provides a bureaucratic foothold for intellectuals to influence American foreign policy. It was founded at the behest of Secretary of State George Marshall, who sought to streamline the State Department, which he saw as sprawling, working at cross-purposes and having no clear strategic direction. In the beginning of his term in January 1947, he charged his undersecretary Dean Acheson to create a body that could coordinate State Department policy. Acheson suggested that George Kennan be appointed as Director of the body, alongside a recommendation from Marshall's assistant Bedell Smith, who knew Kennan as possessing a strong reputation as a Soviet expert (Miscamble 1992).

This reputation was largely earned through Kennan's penning of the "Long Telegram," a famous articulation of the philosophy behind Soviet foreign policy, which eschewed any impulse to coexistence and sought imperial expansion, compelling a response from the United States. This telegram is widely-understood in the historical literature as the catalyst for a confrontational turn in American foreign policy. It also cemented Kennan's reputation as a Soviet expert. Ironically, Kennan quickly started to resist the momentum building for a confrontational approach to the Soviet Union. Even immediately following the Long Telegram, in April of 1946,

he said that the “task would be to “restrain the hot-heads and panic-mongers and keep policy on a firm and even keel (Miscamble 1992: 28).”

Secretary Marshall intended the PPS to be a body dedicated to providing strategic direction to the State Department, but it became more of an intellectual stronghold. This was in large part because George Kennan himself was a consummate ‘egghead,’ as described by Isaacson and Thomas (1986). And it was also in large part because once Kennan took the reins of the PPS, he ran it on a personal basis, and the people he chose to staff it also came from intellectual backgrounds. This included John Paton Davies Jr. was his colleague at the Moscow embassy and a specialist in Far Eastern Affairs, Joseph E. Johnson, a former professor who was the director of the department's Division of International Security Affairs, and Ware Adams, a foreign service officer with deep knowledge of Germany and Austria.

Given that Kennan lacked economic knowledge, he sought to recruit economists including Edward S. Mason, Dean of the Graduate School of Public Administration at Harvard University and the former head of the economic section of the Research and Analysis Branch of the Office of Strategic Services, and Paul Nitze, an economist with a history working in Wall Street firms. Though neither could initially join (Nitze would later join), he took on Jacques Reinstein, also an economist who recently developed a reputation working on a treaty with Italy. Though the PPS was staffed with experts, Kennan, as the Director, was deeply-involved in the work that emerged from the Staff. Therefore, one can assume that the work put out by PPS reflects Kennan’s views.

The PPS was an intellectually-intense environment, as described by Miscamble:

“As director of the Policy Planning Staff Kennan asked his colleagues to express their thoughts freely and to subject all ideas to critical analysis. Such an approach ensured some intense debates. In the work of the Staff Kennan's evolving thoughts provided the locus for discussion. The other Staff members sought to modify and refine them. For Kennan it was not a painless experience. His associates were, he recalled, “sufficiently stout in argument to put me personally over the bumps, to drive whole series of cliches and oversimplifications out of my head, to spare me no complications, and to force me into an intellectual agony more intensive than anything I had ever previously experienced,” which for Kennan was saying something. It is hard to recapture the intensity and pressure under which the Staff worked in these initial days but it was such that one night Kennan in order “to recover [his] composure, left the room and walked, weeping, around the entire building.””

Kennan’s leadership, and the small team he assembled around him, created an intense intellectual atmosphere that resulted in a frantic pace of work. Six months after its founding, Kennan submitted a review of the work of the PPS up until that point, noting that it had submitted thirteen full length papers.

The PPS was founded during the tumultuous postwar period. Relations between the United States and the Soviet Union were becoming adversarial, and the economic position of Western Europe was deteriorating quickly. In February and March 1947, the State Department began building a case for sending aid to Turkey and Greece, which were under the threat of a Soviet invasion, to Congress and the American public. The eventual verbal case given would

come to be known as the ‘Truman Doctrine,’ arguing that the United States should be in the business of supporting “free governments” against the threat of authoritarianism (Jones 1955).

This raised a broader question regarding American foreign policy: whether its Europe policy should be guided by the nascent conflict with the Soviet Union, or by considerations independent of it. Kennan articulated his position in a memo sent to the Undersecretary of the Department of State Dean Acheson:

“The Policy Planning Staff does not see communist activities as the root of the difficulties of western Europe. It believes that the present crisis results in large part from the disruptive effect of the war on the economic, political, and social structure of Europe and from a profound exhaustion of physical plant and of spiritual vigor. This situation has been aggravated and rendered far more difficult of remedy by the division of the continent into east and west. The Planning Staff recognizes that the communists are exploiting the European crisis and that further communist successes would create serious danger to American security. It considers, however, that American effort in aid to Europe should be directed not to the combatting of communism as such but to the restoration of the economic health and vigor of European society. It should aim, in other words, to combat not communism, but the economic maladjustment which makes European society vulnerable to exploitation by any and all totalitarian movements and which Russian communism is now exploiting (Policy Planning Staff 1947).”

Kennan makes a distinction between a European policy guided by relations with the Soviet Union, and a policy guided by a desire to restore European society, which would in turn assist in preventing the spread of communism. In a subsequent letter sent to Acheson and his successor as the Under Secretary of State Robert Lovett on July 23rd, 1947, they develop the reasoning further, making the case for American financing of European reconstruction. They articulate American interests in Europe as follows:

“The broad pattern of our recent foreign policy, including the confidence we have placed in the United Nations, has assumed the continuation in Europe of a considerable number of free states subservient to no great power, and recognizing their heritage of civil liberties and personal responsibility and determined to maintain this heritage. If this premise were to be invalidated, there would have to be a basic revision of the whole concept of our international position - a revision which might logically demand of us material sacrifices and restraints far exceeding the maximum implications of a program of aid to European reconstruction. But in addition, the United States, in common with most of the rest of the world, would suffer a cultural and spiritual loss incalculable in its long-term effects (Policy Planning Staff 1947).”

Were European civilization to wither, they write that “The principles of law, of justice, and of restraint in the exercise of political power, already widely impinged and attacked, might then be finally swept away - and with them the vital recognition that the integrity of society as a whole must rest on respect for the dignity of the individual citizen.” This is explicitly framed as

more important than the U.S.-Soviet rivalry: “The implications of such a loss would far surpass the common apprehensions over the possibility of “communist control.””

By early 1948, Kennan was becoming increasingly convinced that anti-communism was being taken too far, as Isaacson & Thomas record from his private notes:

“When I returned from Russia a year and a half ago... I was conscious of the weakness of the Russian position, of the slenderness of the means with which they operated, of the ease with which they could be pushed back. It was I who pressed for “containment” and for aid to Europe as a form of containment. Today I think I was wrong. Not in my analysis of the Soviet position, but in my assumption that this government has the ability to “operate” politically at all in the foreign field (Isaacson & Thomas 1986: 437).”

By February 1948, he sent General Marshall a letter calling for peace feelers to be sent out to the Soviet Union (Isaacson & Thomas 1986).

The tension boiled over over the course of the year as discussion of a military alliance between European countries and the United States (the North Atlantic Treaty Organization, sometimes called NATO or the ‘Atlantic Pact’) occupied the attention of the PPS. In a memo written on September 6th, 1948, the PPS articulated opposition to the treaty, on the grounds of an analysis of the geopolitical situation that marked a clear divergence between the PPS on the one hand, and proponents of the Cold War on the other (Policy Planning Staff 1948). The clearest divergence was that the PPS perceived the conflict with the Soviet Union to be “political” rather than “military,” meaning that tensions need to ratchet up to violence, and an Atlantic military

alliance would risk doing so. This analysis was consistent with Kennan's Long Telegram, which articulated deep suspicion of Soviet intentions, but stopped short of calling for a military response. And, it contradicts the views of Forrestal and other proponents of the national security state which described the conflict with the Soviet Union as a state of "total war" that required a commensurate military response.

In the September 6th memo, the PPS argued that the United States should pursue a union of Continental European countries (that is, excluding the United Kingdom), rather than an Atlantic military alliance, for three reasons: (1) because it had a geographical and historical legacy that would make it a stable political and economic union, (2) because they did not believe that a permanent division of Europe into two security zones was viable, a Continental Union could absorb the eastern European countries behind the Iron Curtain, should it fall in the future. An Atlantic military alliance, which would include the United States and the United Kingdom, would partially foreclose that possibility. It would not be able to absorb Eastern European countries, and would therefore perpetuate the European divide. And (3), they argued that the United States did not have the resources to permanently support Western Europe in a conflict with the Soviet Union, nor was it sound foreign policy to do so. A Continental Union, in their view, would help develop European political and military power and thus allow Europe to stand against the Soviet Union independent of American support. Moreover, it would be a positive geopolitical development. A Continental Union could act as a neutral 'Third Force' on the continent, balancing the United States and the Soviet Union against each other, and thus limiting the chances of competitive, bipolar contests for dominance.

In a subsequent memo to the Secretaries on November 23rd, the PPS developed their reasoning further. They argued that the Europeans mistakenly believed that their problems arose

from the conflict with the Soviet Union, but was actually a consequence of their economic and political instabilities. An Atlantic military alliance, therefore, would only serve to exacerbate tensions with the Soviet Union while doing nothing to address Europe's real problems. They favored "indulging" in the Europeans' mistaken views to some degree, but not to the point that it detracted from the proper objective of stabilizing Europe's political and economic position (Policy Planning Staff 1948).

The PPS's articulation of their support for the Marshall Plan, and their opposition to an Atlantic military alliance illustrates their view of the postwar geopolitical situation. Contrary to the immediate necessity to confront the Soviet Union articulated by the Practical Men, they determined that such an approach was the result of mistakenly-understanding the conflict with the Soviet Union as military rather than political. As a result, the Atlantic military alliance was a potentially inflammatory step in an otherwise simmering relationship. The PPS also saw the division of Europe as undesirable, and argued that the United States should plan its foreign policy around the future possibility of its dissolution. It also argued that Europe should stand on its own, as a 'Third Force' on the continent politically separated from the United States.

These views would be challenged in the subsequent year, as Kennan developed a vision for a configuration of international relations based on the positions described above, while others in the State Department started to develop an alternate view. As previously discussed, it was this division, rather than that between Kennan and the Practical Men, that pervaded the archival materials. This clash of views would figure into Kennan's decision to resign as the Director of the PPS.

II.IIb 'Integration' & Kennan's Vision

In this section, Kennan articulates his clear vision for the future of international relations, in the context of the PPS fully-focusing on 'integration' as the salient policy problem, rather than considering the phenomenon in a different context. In articulating this vision, it is also in this period, over the course of 1949, where Kennan meets the most fervent resistance to his views, which begins to bleed into his professional life.

Between 1947 and 1948, the PPS had been addressing the question of 'integration' explicitly in tandem with the Cold War; articulating an alternative analysis of the geopolitical situation, but not a fully-fleshed out view of how to manage 'integration' as a phenomenon unto itself. This changed on April 7th, 1949, when Kennan received a letter from British diplomat Gladwyn Jebb. They had been discussing the possibility of Kennan visiting England to discuss issues of foreign relations, and Jebb sent the letter to confirm both his and the British Foreign Secretary Ernest Bevin's desire that Kennan make the trip across the Atlantic. In the letter, Jebb posed six questions which he would like to discuss, which were (Jebb 1949):

- 1) How far is any form of political unity in Western Europe a possibility in the next five years?
- 2) How far should the United Kingdom be associated with a united Western Europe?
- 3) How do we envisage the future of Germany, and what part should Germany (or Western Germany) play in a United Western Europe?
- 4) Does the emergence of a United Western Europe (with or without the United Kingdom) postulate the formation of a Third World Power of approximately equal strength to the United States and the Soviet Union?

- 5) What exactly is meant by the conception of an “Atlantic Community”? Can this Community be stretched so as to embrace to some degree at any rate, the Middle Eastern Countries, India, South East Asia, and Australia?
- 6) What possibility exists of creating further Article 51 treaties, similar in form to the North Atlantic Treaty, in other parts of the world?

Kennan forwarded the letter to Dean Acheson, who had become the Secretary of State, expressing his support for such a meeting. During a meeting of the PPS on April 27th, Kennan informed the group that he would be visiting England towards the end of June to hold discussions with Jebb, and that in the meantime the Staff should hone their views on the questions raised on the letter (e Policy Planning Staff 1949).

These questions would animate an intense period of discussion on the topic amongst the Staff over the subsequent two months. To them, it was apparent why Jebb had raised the issues of integration above: the British were beginning to feel that the pressure to integrate with other European countries was impinging on their sovereignty, and they were anxious to know how American policymakers, at the helm of the preeminent world power, saw the future of Europe. This was especially salient in relation to the “German problem.” A mere four years following the end of the Nazi regime, American and European policymakers were nervous about a resurgent Germany as a political power in Europe.

In a meeting the following month, Kennan articulated his views on Jebb’s fourth question (point IV as they colloquially called it) to which he had previously alluded: that the United States should support the formation of a Third Force on the European continent (f Policy Planning Staff 1949). Dean Rusk, who was deputy undersecretary of state to Dean Acheson, disagreed, arguing that American security required world security, and that regional groupings should be brought

under the framework of the United Nations. Kennan responded that the implications of this approach were not in the American interest; in practice, a world security framework meant expanding NATO as far as possible, since it was the only viable international military alliance. Though Kennan was resigned to the existence of NATO, he was opposed to extending it any further.

Kennan's favored 'balance of power' approach advocated for a Third Force in Europe to balance the United States and the Soviet Union against each other. The reasoning was as follows: the bipolar division of Europe encouraged the United States and the Soviet Union to acquire greater military and economic power over the other, leading to a potentially dangerous military conflict. But, if Europe were to emerge on the continent as an approximately equal power, all sides could be assured that no one political power could acquire enough power to dominate the other two, thus diffusing tensions. And, as he had articulated the previous year, the other benefit of a Continental Union as a Third Force was that it could lead to the dissolution of the adversarial security zones in Europe, as a Continental Union could absorb Eastern European states should they ever emerge from behind the Iron Curtain.

During a meeting on June 13th with outside consultants, Kennan explicitly addressed the kind of approach he felt that the United States should adopt towards its foreign affairs (see Policy Planning Staff 1949):

“People are always calling on us to work out some sort of a global plan for achievement of our foreign policy achievements. This is not a static world we live in; it is dynamic. We have no national objectives in the sense of finite points which you can see achieved; we think of it in terms of direction more than fixed

goals. It is the problem of the direction in which we feel this country should be moving. What we work toward must be on a higher plane than a solution of the Russian problem.”

His emphasis on a ‘direction’ for American foreign policy, rather than a fixed goal, implies a preference for a north star, or vision for the future, rather than a concrete objective. And that vision should be on a “higher plane” than the Cold War. In his view, relations with the USSR should be subordinate to a larger vision to which the United States should be striving. He went on to say that:

“...we need Europe in deeper sense in this country more than we realize. If Europeans were no longer the same old civilized, tired nations that they are, we would be a lonely nation in the world in the sense that we would be on the minority side not only in the sense of world resources but also in the sense of philosophy and outlook on the world. I don’t know what would happen in our internal life if the Europeans were not there as a force in the world...I would say that it should be an aim of our foreign policy to keep Europe, if possible, something resembling what it has been in past centuries, to keep it from suffering another flood of power foreign to it, to prevent it from being engulfed a second time in that way, and to keep it alive as a factor in the world. We get into deep things here. I don’t know whether the world that we want to live in is not basically a non-dynamic world. We are people who want a...type of international

environment in which not much is happening, to which we have time to adjust ourselves...”

Kennan articulates European rejuvenation as an end of American foreign policy in and of itself; not to deter the Soviet Union, but because they share an outlook and philosophy with the United States, and it would be bad for the United States internally if Europe were to fold. American interest in Europe, in his view, was a function of their mutual interdependence, rather than a shared adversary. The approach to diplomacy articulated here contrasts with the imperative to wage the Cold War: Kennan expresses a desire for an loftier direction for the United States than simply waging the conflict, and discusses the future of Europe as an existential problem for the United States to address. He is pointing to an alternative vision for American foreign affairs.

The future of Germany was discussed in a separate meeting on the same day. Kennan opened the meeting by arguing that the brief history of Germany as a sovereign state had been disastrous for the West. Now that the United States had committed its economic resources towards helping it recover financially, the question was how it could return to being a sovereign state without the same problems of international aggression resurfacing (Policy Planning Staff 1949). For Kennan, a Continental Union was the natural solution, to divert German national feeling away from the nation-state and towards Europe. Or, as he put it: “When a German thinks of himself as a German he thinks in very bad and unreal terms; as a citizen of Europe he was much easier to deal with.” He was also concerned about the resurgence of Germany from the lens of geopolitics. He observed a potential risk of Russia and Germany allying in the future, which would require the United States to “fold up.”

Reinhold Niebuhr, a renowned American theologian and political commentator, challenged Kennan's view. Niebuhr argued that the Third Force was not tenable because European power was negligible in comparison to American power in Europe. The Germans knew it, and therefore did not see a Continental Union as the solution to their problems. A Continental Union was also not sufficient to confront the Soviet Union in Europe; the United States was a necessary part of that effort. Niebuhr argued that American power was the only "framework" to contain a resurgent Germany when it inevitably acquired military power. Over the subsequent year, this disagreement over whether the solution to the German problem should be American or European became a wrench driving Kennan apart from his colleagues.

They also disagreed over the question of adversarial security zones in Europe. Kennan argued that a Third Force was the only way out of a divided Europe. Because the United States and the Soviet Union had allied themselves with adversarial security zones on the continent, a neutral Third Force was the only way to dissolve the division and defuse political tensions. He met resistance to this view from Arnold Wolfers, a professor of international relations, who was skeptical that the United States and Russia would give up their spheres of influence on the continent. Wolfers argued that Germans wanted a strong West to keep the Russians at bay, rather than a European Union. This approach frustrated Kennan, who wrote in his memoirs:

"Most of the outside authorities whom we had consulted had tended to regard the division of Europe as a *fait accompli* so final and unalterable that they were disinclined to take the Eastern European countries into account at all as factors in the problem we had before us. They favored considering the problem only in terms of Western Europe and the Atlantic community (Kennan 1967: 453)."

Following the discussion with outside consultants, Kennan sent an outline of his views on European integration to Secretary Acheson, in a document referred to within the Department as PPS-55 (Policy Planning Staff 1949). Though the document was stated to represent the views of the PPS, Miscamble notes that Kennan later wrote in his memoirs the views in that document represented his own. PPS-55 was the crystallization of Kennan's vision for the future of international relations; he outlined a specific configuration of relationships that he felt was best for the long-range prospects of the international environment. In particular, the relationships between European countries, Britain's role in Europe, the answer to the 'German problem,' and America's role in Europe.

Kennan's view was that the United States should be in favor of European integration. Though the United States had supported it rhetorically up until that point, he felt that it should pursue it as a matter of formal policy. But, he had a specific view of how it should unfold. In his mind, it hinged on the question of sovereignty. As he wrote:

“Ultimate sovereignty is a peculiar and indivisible substance. There can be all sorts of division of function within a federal system, and a very considerable retention of the trappings of sovereignty of individual units. But basic sovereignty in a modern sense is a sort of hot substance, which must reside somewhere - which cannot really be held by more than one set of hands. This is the guts of a modern state system.”

The question of integration, therefore, depended on managing that indivisible substance; understanding when it is held by one party and when it is held by another, and knowing where it is desirable for it to reside. He felt that up until that point, in all the enthusiasm surrounding integration, Europeans had not taken this question seriously, resulting in a status quo in which they were rhetorically engaged in promoting integration, but in practice were resisting any moves that would constitute its transfer. For Kennan, the key was to plan where sovereignty should reside and in what context; who was capable of transferring it, and under what conditions? And, who could not be asked to do so? This was especially salient for the British, who had expressed significant discomfort with relinquishing sovereignty for a continental arrangement.

To lay out his vision, Kennan divided the international environment into five regional groupings: I. the US and Canada, II. the UK, III. Western seaboard countries (including Scandinavia and Iberia), IV. Central European countries (including Greece and Turkey), and V. Present Soviet satellites. He then proposed hypothetical configurations of integration, weighing their benefits and drawbacks. He noted that many of the recent European moves towards integration assumed a grouping of II and III. However, he emphasized that British resistance meant that they would not relinquish the sovereignty necessary to make this a genuine union.

He also noted a general assumption of a perpetual division between V and the rest, pointing specifically to the outside consultants he had invited to the PPS in the previous months. He argued that while the United States could not plan for a future in which the Iron Curtain was brought down, it should also not plan for a permanent division of Europe. Any plan for the future of Europe should include a possible avenue for integration of V. Such a future merger could likely only occur between IV-V, or maybe III-IV-V, because Eastern Europe's experiences with

Nazism and Communism would make them politically and culturally unfit to merge with the representative democracies of the western countries.

Kennan largely dismissed the grouping of I-II-III-IV, arguing that it would be so broad that it would be almost meaningless, and would only work as a military alliance with the United States at the helm. I-II-II, which was basically NATO, made more sense in his eyes because it was restricted to the Atlantic countries. But, it foreclosed the possibility for the integration of V, which in the future would have to likely involve a merger between III-IV-V. In the following months, this would become known as the distinction between a Continental Union on the one hand that excludes the United States, and an Atlantic Union on the other, which would become ever more attractive to policymakers.

His preferred configuration was I-II on the one hand, and III-IV on the other. I-II made sense because Britain would not have to merge with the continental countries, allowing them to merge with Britain's foot-dragging delaying them. And, the US and Canada would not feel sidelined by a continental merger because they would merge with the UK. The advantage of III-IV, in Kennan's eyes, was that it provided a solution to the 'German Problem'; Germany would be contained by the Western seaboard countries, provided that the French made intentional efforts to improve their relations with Germany. And crucially, III-IV would represent the neutral 'Third Force' on the continent that Kennan argued could balance the US against the Soviet Union.

After discussing this configuration with Secretary Acheson, Kennan was granted permission to use PPS-55 as a basis for discussions with British and French representatives in his summer visit to Europe. He was disappointed to find that they were not receptive to his vision (Miscamble 1992). The French were concerned about both being excluded from a US-UK

alliance, and left alone on the continent with Germany. The British were in favor of the US-UK alliance, but against the idea of a 'Third Force,' preferring the Western security configuration in which the United States would play a leading role in European defense; the 'Atlantic' vision of security. He found little support in the State Department when he returned as well. As he wrote in his memoirs:

“My colleagues in the Western European Division, being responsible for the short-term rather than the long-term aspects of our relations with Western European countries, having little interest in Eastern Europe, and being influenced to some degree by their contacts with people in the French and British governments, tended to take the European side of the argument. And while the Secretary of State [Dean Acheson], so far as I can recall, remained thoughtful and outwardly noncommittal, I was under no doubt that he viewed the concept I had presented, closely integrated as it was with my view of the German problem, skeptically and without enthusiasm.”

Acheson's skepticism of Kennan is notable, as it would become the basis for a divergence of views later on.

Kennan did not succeed in advancing his vision for international relations on his European visit, but he did manage to sow anxiety on the continent regarding American intentions. This forced the PPS to publish a paper on September 30th that explicitly disavowed a commitment to any specific configuration of international relations in Europe. The paper took more space explaining what was not American policy rather than what was; though it stated that

the United States generally encouraged unification, it took pains to clarify that it did not press governments on specifics, and should refrain from giving the impression that it favored any sort of specific grouping of European states.

This paper, however, was oriented towards dispelling anxiety on the continent, rather than representing any kind of Department consensus. This was made clear during a meeting to clarify the Department's position on October 12th, bringing in other officials from inside the State Department and using PPS-55 as a reference. Diplomat Llewellyn E. Thompson expressed the view that the German problem could only be solved if Britain joined a Continental Union, and that without the UK a Continental Union would not be possible. Kennan maintained his view that the United States should bear in mind the possibility that the division of Europe will be dissolved in the future (^k Policy Planning Staff 1949).

At this point, the momentum of opposition to Kennan's view was growing. Acheson's skepticism of Kennan's vision started to become apparent. In a meeting in which both were present, Acheson called Kennan's suggestion in PPS-55 that a Continental Union could successfully absorb Germany "the neatest trick of the week," expressing deep skepticism that a Continental Union would be sufficient to accomplish the task. Kennan countered that the United States was not strong enough to "hold" Germany and contain the Soviet Union by allying with the British and the French; that an Atlantic Union would not accomplish the goals that it was intended to achieve (^l Policy Planning Staff 1949).

As the meeting progressed, Acheson pressed Kennan to provide a timeframe on when the division of Europe might end. Kennan argued such a prediction was not possible, but insisted that it was likely to occur given the instability of the Russian regime and the dissatisfaction of the Eastern European countries under its rule. But Acheson retained his skepticism, arguing that

the United States could not plan its foreign policy around a possible unification of Europe that could not be predicted.

Following the meeting, Acheson sent a telegram to the American ambassadors in Europe, who were preparing to meet to discuss the prospects of European integration (Acheson 1949). In the telegram, Acheson stressed that the United States should not commit to any rigid framework for how countries should be integrated, rejecting Kennan's specific configuration. He expressed support for European integration as a method of containing Germany, and wanted the United States to support European integration as much as possible. He also envisioned closer ties between the United States and Europe in the future, and wanted it to integrate with Europe as much as was feasible, but notes that the European countries were in a much better position to do so.

During the meeting of the American ambassadors in Europe, including from France, Britain, Italy and Russia, there was a consensus that European integration would not work without the UK; Germany's position would be too strong, and the French could not press for integration alone. In their view, the United States had to push the UK to integrate with the continent (Miscamble 1992). Kennan's vision had been roundly rejected by his colleagues at the State Department and the ambassadors in Europe. However, an alternative rationale for integration was beginning to surface, one that would result in a different configuration from Kennan's vision.

II.IIc The Atlantic Union, Kennan's Resignation & NSC-68

This section covers late 1949 and early 1950, covering both Kennan's departure from the PPS, and the consolidation of the Practical approach to American foreign policy with the penning of NSC-68 by Kennan's successor Paul Nitze, which both buttressed the case for an

Atlantic Union, and subsumed it within the Cold War. This began a decade of unwavering focus on the Soviet Union, characterized by anxiety regarding atomic warfare and the proliferation of communism, both domestically and around the world.

In late 1949, Congress introduced resolution 57, which called for a meeting of delegates from each of the NATO countries to explore the possibility of creating a “free federal union,” generating momentum for an Atlantic Union. On December 21st, the State Department put out a position paper on the resolution that devoted substantial space to lauding its motivations while also arguing that it was premature to discuss the possibility of an Atlantic Union (Department of State 1949). This ambiguity in the State Department reflected a division within the State Department, as Kennan described in a paper sent to Secretary Acheson six days later. He noted that while most advisers within the Department were against holding the meeting of delegates, their reasons differed. As the previous paper suggested, the Atlantic Union was seen as a stepping stone towards a world government, which was depicted as a favorable objective. Kennan strongly disagreed, on the grounds that it was a “dangerous digression from the sober and realistic attention which our present international situation deserves,” noting that he had faced disagreement on this view from others in the Department.

He also argued that if one bore in mind the eventual dissolution of the division in Europe, one would have to anticipate how Eastern European countries could be integrated into an existing federation. It was unrealistic, in his view, that an Atlantic Union could absorb the Eastern European countries. The other option would be to regard the division of Europe as permanent, which was not desirable either. Either way, an Atlantic Union did not anticipate a world in which tensions between the United States and the Soviet Union dissipated. He argued that because the continent was in a temporary state of division, it was not the time to plan its

future. He also urged patience on the grounds that the United States would have to devolve some sovereignty to join an Atlantic Union, which was a matter of domestic as well as foreign policy and required public input.

By this point, the roadblocks faced by Kennan in realizing his vision were beginning to weigh on him. As his biographer Wilson Miscamble writes:

“He did not relish the role which his defeats on the German and European integration issues cast him - that of a stimulator of debates which he was destined to lose. He did not possess the temperament to assume permanently the part of in-house dissenter. He wanted to influence policy and his growing inability to do so troubled him both professionally, because he believed the wrong course was being charted, and personally, because he was denied the rich satisfaction of having his advice accepted and implemented. He had, after all, once explained to Joseph Alsop that “the policy recommendations of an official like himself, with long expert training, should be treated like the diagnosis and prescriptions of a doctor.” And Kennan preferred patients, so to speak, who did not seek second opinions.”

This is the context for Kennan’s departure from the PPS, as Miscamble writes: “One need not engage in “psycho-babble” to suggest that these considerations, perhaps operative at a subconscious level, led to his frustration and thus to his resignation.” As Gaddis (2005) notes, when Kennan left the PPS in the end of 1949, his influence had significantly dwindled within the State Department. He quotes Kennan’s diary as follows:

“my concept of the manner in which our diplomatic effort should be conducted is not shared by any of the other senior officials of the department...Even if [the Secretary of State] shared my views, he would have to operate through people whose philosophy of foreign affairs would necessarily be a different one.”

This quote is telling in how Kennan articulates the divergence between his preferred approach to diplomacy and the prevailing approach; not simply a difference on policy details, but a difference in philosophy regarding American foreign affairs. Kennan sought to direct American foreign policy towards the future in which Europe was its own power, balancing against the Soviet Union, and eventually absorbing the eastern European countries once the Iron Curtain fell. He was planning for an eventual termination of hostilities between the United States and the Soviet Union. However, an alternative position was emerging, in which the United States should be heavily involved in Europe, allowing European security dependence on the United States, and vigorous military posture towards the Soviet Union, rather than a plan for an eventual end to hostilities.

The latter view would become more pronounced after Kennan's departure. His successor as head of the PPS, Paul Nitze, was in favor, arguing during a meeting on January 24th, 1950 that “it is obvious to him that Europe cannot stand on its own feet during the next five years (Policy Planning Staff 1950).” On April 25th of that year, the PPS published another study on integration and the “German Problem” that reflected the preference for an Atlantic Union. It stated that West Germany had to be “tied” to the West to be contained, but argued that only an Atlantic Union would be capable of doing so (Policy Planning Staff 1950). Therefore, the United States should

be pushing the UK to integrate with the continent, while remaining heavily involved on the continent to ensure the progress of integration.

This position gained momentum in the context of the growing strength of international communism. In late 1949, the Soviet Union successfully detonated an atomic bomb, and communists took control of China, giving new impetus to the Cold War. In response, Nitze began working with the Department of Defense on reviewing America's posture towards the Soviet Union, publishing NSC-68 on April 14th, 1950 (Acheson 1969). As Gaddis (2005) observes, NSC-68 diverged sharply from the Long Telegram in how it judges Soviet intentions, and what the American response should be. Kennan wanted to retain a balance of power with the Soviet Union, whereas NSC-68 argued that communism had to be contained everywhere. NSC-68 paid lip service to balance of power, but did not pursue the "minimum necessary requirements" to secure it, rather "it found in the simple presence of a Soviet threat sufficient cause to deem the interest threatened vital (Gaddis 2005)." To meet this threat, NSC-68 called for the United States to maintain a permanent war posture.

NSC-68 also subsumed European integration in the context of the Cold War:

"The policy of striving to develop a healthy international community is the long-term constructive effort which we are engaged in. It was this policy which gave rise to our vigorous sponsorship of the United Nations. It is of course the principal reason for our long-term continuing endeavors to create and now develop the Inter-American system. It, as much as containment, underlay our efforts to rehabilitate Western Europe. Most of our international economic activities can likewise be explained in terms of this policy. In a world of polarized

power, the policies designed to develop a healthy international community are more than ever necessary to our own strength.”

It acknowledges that there is a principle of developing a “healthy international community” that drove American policy towards Europe as much as the Cold War. But, it subsequently links a “healthy international community” to American strength, thereby joining American policy towards Europe to American policy towards Russia, and diverging from Kennan’s desire to see American foreign policy follow a direction on a “higher plane” than relations with Russia.

In his memoirs, Kennan articulates the tension between his vision of a Continental Union and a US-UK-Canada union on the one hand, and the prevalent view in Washington on the other:

“The Americans, on the other hand, already committed to a militarized view of the cold war, their policy already largely dominated by conviction that the overriding consideration was to set up the military strength necessary to “deter” the Russians from attacking Western Europe..., saw no reason to weaken this effort at military defense, just then finding its institutional form in NATO, by toying with plans which failed to include Britain, Canada, and the United States. The armed forces, furthermore, enjoyed their presence in Germany, as in Japan (Kennan 1967: 463).”

Kennan’s division of the US-UK-Canada on the one hand, and the European continent on the other, clashed with the military defense effort to mobilize the US, UK, Canada and Europe in

a collective military effort to wage the Cold War. This was antithetical to Kennan's hope for the future; the 'Third Force,' in his view, was the only way to end the Cold War, and correct "the great geopolitical disbalance to which the outcome of World War II had led." His opponents, he complained, were less concerned with the long-term possibility of ending the Cold War, and more with the short-term concern of waging it.

Acheson distinguished between his own view and Kennan's in his autobiography, saying:

"The real threat, they said, lay in the weakness of the Western European social, economic, and political structure. Correct that and the Russian danger would disappear. This I did not believe. The threat to Western Europe seemed to me singularly like that which Islam had posed centuries before, with its combination of ideological zeal and fighting power. Then it had taken the same combination to meet it: Germanic power in the east and Frankish in Spain, both energized by a great outburst of military power and social organization in Europe. This time it would need the added power and energy of America, for the drama was now played on a world stage."

Acheson himself is described by Hogan as a "national security manager"; intent on growing the military and confronting the Soviet Union. He describes Paul Nitze in the same terms, saying that: "Nitze thought of the Soviet Union as he had thought of Nazi Germany, viewed Stalin as another Hitler, and was convinced that Communist leaders would stop at nothing, even nuclear war, in their messianic quest for world domination. Given Acheson's own geopolitical vision, it is clear that he had picked the right man to join him on the front line of the

next battle against the economizers.” NSC-68, in Hogan’s view, was an articulation of the national security ideology. But, notably, it was a product of the head of the PPS, thereby drawing the intellectual arm of the State Department into the orbit of Cold War thinking. Acheson himself made a significant effort to sell it to Congress, calling for a growth in the military, which he achieved following the Korean War in 1950.

As Craig and Logevall (2009) write, the Cold War expanded after 1950: “it became a global campaign, much more ideologically charged, far more expensive...and a substantially greater factor in the lives of ordinary Americans (Craig and Logevall 2009: 127).” NSC-68 opened the financial floodgates for the expansion of the national security state, but the Cold War also became more ingrained in American political culture. This was in no small part due to the influence of Senator Joseph McCarthy, who in February 1950 announced that the State Department was infested with Communists. This led to a yearslong campaign to root out supposed communists from the government, as well as from schools, the entertainment industry and unions. As Craig and Logevall argue, the context of the ongoing Korean War meant that McCarthy had the moral high ground, and thus faced little opposition.

Though McCarthy was eventually censured by the Senate and his reputation disgraced, he left a legacy on American domestic politics: “McCarthy-“ism” would live on, if in mellower form—in the campaign strategies of politicians at all levels of government, in the actions of federal, state, and local agencies, and in the pronouncements of business organizations, veterans groups, and religious leaders. McCarthy’s very extremism had the effect of solidifying the anti-communist consensus in Middle America by making it appear moderate by comparison with his own recklessness (Craig & Logevall 2009: 126).” And though President Eisenhower was actively involved in subduing McCarthy, he went on to ratchet up the Cold War. His Secretary of

State, John Foster Dulles, wholly subscribed to the moral imperative to wage the Cold War, articulating his view in a 1952 article in Life magazine titled “A Policy of Boldness.” Going further than ‘Containment,’ Dulles advocated for a “rollback” of Communism.

The increased financial commitment, and political and cultural imprint of the Cold War cemented its centrality in American foreign policy. Kennan’s desire for a managed relationship with the Soviet Union and a pivot to other priorities was not realized. However, his approach would be picked up a decade later by fellow intellectuals who sought to create their own channel of influence over American foreign policy. They went much further than Kennan, articulating an elaborate geopolitical analysis that incorporated scholarship in international relations, economics and sociology. And, they built organizations to represent their views and expand their reach, thus providing an institutional home for globalization expertise.

Chapter 3

The Second Case Study

This chapter is a case study of the FPEs' ascendance from the space between the state and the universities to the highest rungs of American foreign policy, from 1960 to 1978, bringing with them the argument that American foreign policy should orient away from the Cold War and towards 'interdependence.' This chapter develops the relational theory of globalization by showing how it transformed from 'integration' in the case of George Kennan, to 'interdependence' in the case of the FPEs. This transition was in part a function of a recognition of a growing salience of the phenomenon by the FPEs. The chapter follows them as they sought to promote their interpretation of the international environment within the institutions of American foreign policy. Thus, I show the development of interdependence as a paradigm within the context of the growing set of organizations that are mobilized in the practice of American foreign policy.

The data from this chapter is drawn from the archives of the CFR's Atlantic Policy Studies Series (APSS) collected at the Seeley Mudd Manuscript Library at Princeton University, the written work of the FPEs themselves, alongside existing secondary accounts of the history of American foreign policy. This chapter consists of four sections. The first introduces the APSS, the international political context of the study series, and the changing landscape of American foreign policy expertise. The second introduces Zbigniew Brzezinski, a key FPE, and the evolution of his views from the APSS to his founding of the Trilateral Commission in the 1970s, foregrounding the international political dimension of 'interdependence.' The third introduces Richard N. Cooper and the coining of 'interdependence,' and the subsequent economic turn in

American foreign policy in the 1970s. The fourth section turns to an acute problem faced by the FPEs in their paradigm of ‘interdependence,’ that of the ‘Less-Developed Countries’ (LDCs).

III.I APSS and the Shifting Landscape of American Foreign Policy

Expertise

This section introduces the APSS, and the commensurate shift in American foreign policy expertise. Subsection III.Ia provides the historical background of deteriorating Atlantic relations which compelled the Ford Foundation to commission the APSS. Subsection III.Ib contextualizes the APSS within the shifting landscape of American foreign policy expertise, showing how it presaged the turn away from the Practical Men. Subsection III.Ic introduces the APSS and its director, Harold Van Buren Cleveland, showing how his views shaped the tenor of the Study Series.

III.Ia The Historical Context of the APSS

On July 4th, 1962, President Kennedy delivered a speech at Independence Hall in Pennsylvania, in which he made a “Declaration of Interdependence,” in a deliberate effort to mimic the gravity of the Declaration of Independence drafted in the very same building 186 years previously (Tennyson 1962). He noted that the original Declaration “stressed not independence, but interdependence; not the individual liberty of one, but the indivisible liberty of all...That spirit is today most clearly seen across the Atlantic Ocean” he claimed, “The nations of Western Europe, long divided by feuds far more bitter than any which existed among the thirteen colonies, are today joining together, seeking, as our forefathers sought, to find freedom in diversity and unity from strength.” President Kennedy expressed optimism about how the United

States would fit into this new world: “We do not regard a strong and united Europe as a rival, but a partner. To aid its progress has been the basic object of our foreign policy for 17 years,” and portrayed the ‘Atlantic’ alliance as indispensable for waging the Cold War: “While the West gives the impression that it can be divided, the U.S.S.R. will not be disposed to come to agreements, in the belief that it can always upset the world balance of power.”

President Kennedy’s optimism, however, contrasted sharply in a press conference given by President de Gaulle of France the following January. He was asked about whether he favored Britain’s entry into the European Common Market - a free trade agreement amongst continental European nations (Western European Union Assembly-General Affairs Committee 1964). Towards the end of a lengthy response in which he explained his opposition, he turned to the international political stakes: “Further, this community [which would include Britain], increasing in such fashion, would see itself faced with problems of economic relations with all kinds of other States, and first with the United States. It is to be foreseen that the cohesion of its members, who would be very numerous and diverse, would not endure for long, and that ultimately it would appear as a colossal Atlantic community under American dependence and direction, and which would quickly have absorbed the community of Europe. It is a hypothesis which in the eyes of some can be perfectly justified, but it is not at all what France is doing or wanted to do - and which is a properly European construction.”

These dueling sentiments colored ‘Atlantic’ relations during this period. On the one hand, the United States had successfully financed an historically-successful economic recovery, which had been hugely-beneficial to the United States from an economic and political perspective. But by the early 1960s, this was not the only story. Simmering tensions within the supposed ‘Atlantic Community’ were rising to the surface. Where the United States had been Europe’s unwavering

benefactor following the Second World War, a decade on, Europe's recovery was beginning to threaten American economic hegemony. 1959 was the first the American balance-of-payments account had dipped into deficit, as the steady stream of dollars it was sending to rebuild Europe was no longer being matched by its exports. In 1960, economist Robert Triffin testified to the House of Representatives that the situation was untenable (Triffin 1960). The United States could not both supply the world with liquid assets through the use of the dollar as the international reserve currency, and not expect the constant outflow of dollars to strain the domestic economy, thus imperiling the stability of the global economy. This problem would become increasingly acute as competition from Europe and Japan would curtail America's ability to finance its deficits through exports even further.

Geopolitical strains were also beginning to surface. In October of 1962, tensions between the United States and the Soviet Union reached their apogee during the Cuban Missile Crisis, when the world was almost plunged into nuclear war. However, following the averted disaster was a quelling of tensions, as both sides sought to avoid the possibility of anything similar happening again. This novel environment of relative detente raised an existential question for the Atlantic alliance: was it a natural and desirable international grouping of states that transcended the Cold War context, or was it nothing more than a classical military alliance that would wane with the receding of its common rival?

III.Ib The Changing Landscape of Foreign Policy Expertise

Between the Second World War and 1970, American foreign policy expertise developed on parallel tracks: the small coterie of Practical Men who monopolized positions atop the American foreign policy bureaucracy retained their control, while the demands of the Cold War led to the creation of institutions dedicated to help wage it. Material science and technology was

at the heart of this institutional development. The development of the atomic bomb consolidated the relationship between science and the state, as it involved thousands of scientists, industry and military personnel spread across the country. It created both a national preoccupation with its potential downstream consequences, and elevated scientists to central figures in American foreign policy (Wolfe 2013). This relationship accelerated in the 1950s, as a “universe of defense-oriented funding” was materializing, supporting research in “universities, think tanks and industrial and military labs.” New kinds of “hybrid” institutions emerged, straddling the line between the military, industry and the academy. In 1961, President Eisenhower would warn that this “military-industrial complex” could portend pernicious consequences for American life.

Social science was another vector of institutional development. The military funded institutions dedicated to the social and psychological dimensions of the war, such as the psychology of deterrence, the development of effective propaganda, and the creation of area-specific knowledge. Rohde (2013) locates these institutions in a “gray area” in between the military and the academy. Though a smaller portion of the military-industrial complex than the institutions dedicated to material science, these institutions, such as RAND, SORO and the Institute for Defense Analysis were important incubators of social scientific expertise regarding the Cold War.

Together, the investments in material and social sciences developed a novel type of expertise, dedicated to applying technical knowledge to the Cold War. However, I distinguish between the development of this type of technical expertise and the knowledge cultivated by the Practical Men, on the grounds of power within the political field. Technical expertise was applied to policy challenges themselves largely developed by the Practical Men or their high-ranking defense colleagues. Technical experts were not responsible for policy, nor were they granted

much autonomy in how they were to apply their knowledge towards the Cold War. As both Wolfe and Rohde discuss at length, this created tensions among these technical experts, as they were forced to weigh the loss of scientific autonomy against the benefit of working on cutting-edge problems with ample funding. This drove some out of their professions, while others believed in the Cold War and their part in waging it.

On the other hand, the non-technical knowledge of the Practical Men was prized in the political field, as it largely monopolized control of American foreign policy. As discussed in the previous chapter, the Practical Men were central policymakers during the Second World War, and in the subsequent years they became revered as the ‘Wise Men’ for having shepherded the United States through the conflict, conferring gilded reputations upon them in Washington. As Halberstam (1969) notes, President Kennedy fully bought into their legendary status, and sought to recruit Robert Lovett into his administration with the hopes that his vaunted reputation would help assuage President Kennedy’s inexperience in foreign affairs.

Lovett declined, but suggested that Kennedy bring in Robert McNamara, who was named the Secretary of Defense in 1961. Following the Second World War, McNamara spent the 1950s in the Ford Motor Company, rising through the ranks to become its president before he was recruited into government service. Though not sharing the traditional WASP background of the Practical Men; born to a poor Irish immigrant family on the West Coast rather than a wealthy Anglo-Saxon one on the East, he nonetheless possessed the Practical temperament. As described by Halberstam, McNamara was a “doer,” not an ideologue or an intellectual. His business experience lent to the pragmatism favored by the Practical Men.

Another prominent policymaker in the Kennedy administration with the Practical outlook was McGeorge Bundy. A more thoroughly “Establishment” type, Bundy was born in Boston to

wealthy parents with political connections that extended to former Secretary of State Henry Stimson. He attended the quintessential “Establishment” boarding school, Groton, before attending college at Yale, where he was part of the Skull and Bones society, and was part of the Metropolitan Club of New York. Unlike some of his compatriots, Bundy was not allergic to intellectual life. He became a tenured professor at the Harvard Department of Government in 1949, and then Dean of Harvard Faculty of Arts and Sciences in 1953. However, Kennedy sought to bring Bundy into his administration because he was able to skirt the line of being an intellectual, but also able to blend with the less-effete style of the administration. As Halberstam put it, “He was an egghead, but he was safe.” He became Kennedy’s National Security adviser.

This chapter is in part the story of technical expertise supplanting Practical Knowledge in the political field. The expertise angle diverges from the story already told by Justin Vaisse in his (2018) biography of Zbigniew Brzezinski, who draws on Priscilla Roberts’ generational model of the foreign policy elite to argue that the younger technical experts who were professionalized after the Second World War supplanted the ‘Establishment.’ While there is some truth to the account that the younger technical experts were supplanting an older existing network, there are numerous exceptions, including Bundy and Cyrus Vance, who was President Carter’s Secretary of State, a lawyer and by all accounts temperamentally belonging to the ‘Establishment’ mold. Even President Clinton’s Secretary of State Warren Christopher, another lawyer with a career in both the justice and state departments, blurs the line. And going back in time, Vaisse places Kennan in the ‘Establishment’ generation because of when he was an active participant in American foreign policy, even though his background and disposition was at odds with his colleagues.

One advantage of the dispositional model is that it captures these differences; Kennan is a forerunner of the technical experts rather than an 'Establishment' member, and Cyrus Vance is a holdover from the 'Establishment.' The other is that disposition, understood here in the Bourdieusian sense as a 'habitus,' or a Weberian 'ethic,' encompasses both one's background and how it shapes one's worldview. The Practical men were disposed towards a confrontational stance towards the Soviet Union because of their faith in their intuitive acumen that had served them in the business and legal worlds, and their self-conceptions as 'hard-nosed realists.' Whereas the technical experts were predisposed towards an analytical view of the world in which the quality of international relationships and the direction of historical change took precedence.

This does not capture every case; for example, Walt Whitman Rostow, President Johnson's National Security Adviser, was a consummate academic and an ardent proponent of the Vietnam War. Kissinger's story is similar, although by all accounts he was not ideologically-invested in the Vietnam War in the same way that Rostow was. However, they were the exceptions that prove the rule. As Halberstam notes, having an intellectual adviser provided Presidents Kennedy and Johnson credibility, therefore having an intellectual proponent of the Vietnam War was likely a significant asset, signaling the growing stock in technical expertise. Once the Vietnam War started to turn south in the eyes of the American public, the foreign policy professionals articulating a novel agenda for American foreign policy were technical experts coalescing around the worldview that will be explained in this chapter.

The war in Vietnam consolidated the prestige of technical expertise at the expense of Practical Knowledge. Both Bundy and McNamara became strong proponents of greater intervention in the country, sending more soldiers and weaponry, with the aim of containing the spread of Communism. Using the latest computing technology available, McNamara had

implemented a “systems analysis” mode of management in the Pentagon, which sought to “control bureaucracies with precision, use force with discrimination, weigh costs against benefits, and relate short-term tactics to long-term objectives (Gaddis 2005: 253).” This was the essence of Practical thinking; quantifying problems to the greatest possible extent, thus eschewing room for human ideology and arriving as close as possible to objectivity. This went awry, however, because the statistics McNamara was receiving from Vietnam were fabricated, and thus he was unable to understand what was happening in Vietnam, and therefore unable to craft a proper response. Bundy, on his part, both believed in the mission to contain Communism in Vietnam, and was an active proponent of the bombing campaigns in the country.

As the war in Vietnam became increasingly unpopular by the end of the 1960s, the credibility of the Cold War suffered. The antiwar movement became a fixture of American life, and the incumbent President Johnson faced primary challenges from two antiwar candidates in 1968, Eugene McCarthy and Robert Kennedy. The military-industrial complex faced new scrutiny; in May 1968 Senator William Fulbright, opponent of the Vietnam War, convened a hearing in the Committee on Foreign Relations in which he castigated representatives of the Pentagon for overreach in conducting secretive social science research - undermining democracy by subsuming decisions that would normally be the public responsibility of other agencies and officials under the jurisdiction of their researchers (Rohde 2013).

The disaster in Vietnam challenged the monopoly of the Practical Men over American foreign policy. Bundy’s experience in the Council on Foreign Relations is illustrative: when he was selected by David Rockefeller to take on the chairmanship of the Council, he was decried as a “war criminal” by left-leaning members of the Council for his policymaking role in Vietnam (Grose 1996). The technical experts discussed in this section sensed a political opportunity to

redefine the objectives of American foreign policy, away from the Cold War and towards what they called ‘interdependence.’ They seized the opportunity by building their own institutions that straddled the lines between government, the academy and business.

The emergence of technical experts as dominant actors in the political field reflected the decline of the Cold War as a priority in American foreign affairs in relation to other issues, particularly economic ones. As economist Richard N. Cooper wrote in 1973, American foreign policy had up until that point maintained a comfortable distinction between “high” foreign policy, composed of matters of national security, and “low” foreign policy, dealing with trade and monetary issues. This distinction was maintained by a functioning international economic system, the Bretton Woods system. Once it began to break down, and people lost trust in its efficacy, trade and monetary issues began to impinge on “high” foreign policy, commanding the attention of governments and publics. The emergence of new priorities in American foreign affairs called for new experts to address them.

Another example is C. Fred Bergsten’s 1973 New York Times article titled “Mr Kissinger: No Economic Superstar,” which was included in an edited volume of his work in 1975. Bergsten was Kissinger assistant secretary for economic affairs in the Nixon administration, and reportedly left due to his frustration with being left out of the decision to go off of gold. In the article, Bergsten poses the rhetorical question: “Why has Mr. Kissinger, the “superstar” of foreign policy, performed so poorly on a such a central issue of foreign policy?” His answer is “the Kissinger style and substantive point of view. Economic issues cannot be handled by superstar solos. They require both political and bureaucratic consensus at home, sustained attention, and messy negotiation with a variety of leaders abroad, because the issue fuse a wide variety of interests on a wide variety of negotiating fronts...[Kissinger] is reluctant

to engage with lots of bureaucratic adversaries on issues in which he is not recognized as the leading authority in town, as would be true in the economic area, especially in the absence of administrative machinery which he can control. After all, this is the man who told the Italian journalist Oriana Fallaci that “my success...stems from the fact that I’ve always acted alone,” a posture which precludes serious involvement in economic issues.”

The contrast Bergsten is painting here is between someone adept at managing relationships with political leaders, and someone able to balance various interests and to work within a bureaucratic context. Kissinger, though a technical expert by training, rose to power when the capacity to claim to represent American interests abroad was monopolized by a small coterie of distinguished men, rather than by a bureaucracy. In other words, charismatic authority was a valuable asset in the bid to claim authority over American foreign affairs well into the 1970s. But as economic issues began to supplant the Cold War as the priority of American foreign policy, it demanded the rational authority of a bureaucracy that could deploy experts to specialize in various, niche areas of American international economic relations, and thereby manage an increasingly-complicated world.

The Council on Foreign Relations occupies an ambiguous space in the military-industrial complex. It both predates it, and is funded by private organizations such as the Ford, Rockefeller and the Carnegie foundations rather than by the military. This is indicative of the difference in institutional nature, where the institutions funded by the military were research organizations, the Council on Foreign relations largely retained its heritage as a social club for international businessmen. It took on a more research focus during the Second World War, as it undertook a large study of America’s role in the postwar environment called the War and Peace Studies

program (Wertheim 2020). But it was not swept up in the funding coming from the military in the 1950s; it largely retained its gilded status as a club for the foreign policy elite.

The Atlantic Policy Studies Series (APSS) should therefore be understood as a part of the Council's dabbling in research, rather than part of the full-blown research effort of the military. This is evident from the planning of the personnel involved in the Study Series, which relied on personal contacts and reputations rather than on formal appointments based on merit and qualifications. This ad hoc method created problems, as the person initially appointed as the Director of the Series, Philip Mosely, struggled with his lack of experience in running a major research program, and was, as recounted in a retrospective on the APSS, "treated very badly" by the steering committee. His successor, Harold Van Buren Cleveland, was also seen as inexperienced, though he managed to successfully complete the assignment.

The APSS was also funded through the Ford Foundation, rather than through the military. In the proposal to the Ford Foundation, Council member Frank Altschul writes that the purpose of the proposed study is "to consider to what extent the policies of the United States and its principal allies should be further coordinated in order to fend off the danger to which we are together exposed, and to make such recommendations as in the light of the study may seem appropriate." The proximity of the Council to the policymaking capacity of the American state is evident, as the APSS is not just intended to generate knowledge about a technical subject or unfamiliar area of the world, but to recommend policy. The institutions that comprise the military-industrial complex are located firmly beneath the Practical Men in the political field, and thus the latter dictate to the former their research direction, and the former do not create policy, whereas the APSS, being a project of the Council, is a research project of the Practical Men, and is therefore oriented towards crafting policy.

The distinction between the two worlds was never hard-and-fast, however, to which the funding streams attest. Henry Kissinger, for example, who was part of the APSS, founded the Harvard Center for International Affairs 1958 with funding from the Ford Foundation, but the Center received great demand for its work from the government and military (Wiarda 2010). Zbigniew Brzezinski came from the field of Sovietology, which was a type of social scientific expertise developing in the 1950s. It was a full-fledged effort to understand the politics, economics and culture of Soviet society. Its institutions, such as the Russian Research Center at Harvard where Brzezinski did his doctoral research, was funded both by the private organizations (Carnegie, Ford and Rockefeller) and the state (Engerman 2009). Other similar institutions, such as the MIT Center for International Studies, founded in 1951, was funded by the CIA (Blackmer 2002).

These institutions were crucial professional springboards for the technical experts to affect policy. Kissinger and Brzezinski both became National Security Advisers, and the MIT Center of International Affairs elevated the first technical expert to come from these institutions, Walt Rostow, to the role of National Security Adviser to President Johnson. Participation in the APSS, therefore, was a jump from the world of knowledge-generation to policymaking. This was particularly true for Brzezinski, who had been invited to join the Council in 1961, right at the inception of the APSS. And it was Brzezinski who would spearhead the transition from practical to technical knowledge in the political field by recruiting professional allies and creating the Trilateral Commission as a central venue for articulating a novel agenda for American foreign policy following the Vietnam War, as will be discussed in the following section.

III.Ic The APSS and the Views of Harold Van Buren Cleveland

In the midst of these shifting dynamics, the Council on Foreign Relations (CFR) commissioned an Atlantic Policy Study Series (APSS) to study the ‘Atlantic Community.’ When vice president and secretary of CFR Frank Altschul sent a funding proposal to the Ford Foundation for the study series in mid-1962, he echoed President Kennedy’s view regarding the importance of the Atlantic Alliance to waging the Cold War (‘Atlantic Policy Studies Series 1960). The effort had, in part, been buttressed by the integration of the so-called “free nations of the Atlantic Community,” which had presented an increasingly coordinated front against the USSR. Altschul wrote that if the Cold War would continue to be waged successfully, it would depend on the continued integration of the Atlantic Community, and proposed that the study series should examine the degree to which further coordination might be possible, able to sit outside government and have a long-term horizon to consider the future configuration of international relations, as Kennan’s Policy Planning Staff had been. However, once the planning meetings for the study series got underway the following year, the doubts that had crept into the ‘Community’ were the primary topics of discussion.

The APSS picked up on some of the questions British diplomat Gladwyn Jebb posed to Kennan in his 1949 letter: “Does the emergence of a United Western Europe (with or without the United Kingdom) postulate the formation of a Third World Power of approximately equal strength to the United States and the Soviet Union? What exactly is meant by the conception of an “Atlantic Community”? Can this Community be stretched so as to embrace to some degree at any rate, the Middle Eastern Countries, India, South East Asia, and Australia?” When initially posed to Kennan, he came to the conclusion that an Atlantic Community was not preferable to a continental union on the one hand, and a US-UK-Canada union on the other. He was also

dismissive of the possibility of extending the community beyond Europe and North America, and he argued that it would dilute the political and economic utility of the community, and the cultural differences would prevent such a community forming.

By the release of NSC-68 in 1950, it was clear that an 'Atlantic Community' was going to be the international configuration of states for the foreseeable future, in order to wage the Cold War. This impulse is alive and well in 1960, as Altschul articulates in his proposal to the Ford Foundation. However, as the intensity of the Cold War wanes over the subsequent years, and the cracks in the Atlantic Community begin to develop, the participants of the APSS are compelled to revisit Jebb's questions, from both an analytical and normative point of view.

APSS represented the return of ambiguity regarding the future configuration of international relations; Kennan's impulse to cultivate international relationships with a long-term vision in mind resurfaced during the Study Series. The United States could no longer just regard Europe as a site of investment, nor solely as part of a Cold War strategy. It was becoming an economic rival, and, if Europe were to integrate further without the United States, potentially a political rival as well. Participants in the Study Group had to decide what America's strategic interests were in Europe beyond the context of the Cold War. If it was in its best interest to integrate with Europe, it raised the question of how much sovereignty it should be willing to sacrifice. Another avenue would be to follow President De Gaulle's lead and pull back altogether.

A prominent voice shaping the answers to these questions came from the Director of the APSS Harold Van Buren Cleveland; an economist and state department official during and right after the Second World War. He was an architect of the Marshall Plan, and sat in on some of the early Policy Planning meetings in 1947 (Miscamble 1992). During the bulk of the discussions,

Cleveland plays the role of skeptic regarding the Atlantic Community. His view was that it was a product of Cold War necessity rather than cultural affinity, the imperative of which was decreasing as the Cold War simmered to a steady detente.

His skepticism was a reaction to a view, which in his perspective was prevailing, that the Atlantic Community was strong and destined to deepen. In his book published through the APSS, he called this a “functionalist” perspective that assumed a ‘necessity’ for an Atlantic Community (Cleveland 1966). This view held that problems arising from growing economic and political interdependence between these countries required cooperative solutions to address them; for example, increased trade between countries might produce a trade deficit in one, which could provoke a currency depreciation that could adversely affect the other. A ‘functionalist’ perspective, in Cleveland’s view, expects political cooperation to rise to this kind of challenge. What this kind of thinking overlooked was the persistence of national interest, which was viewed by some as an antiquated relic of the prewar era, but which Cleveland insisted still exerted an influence in international politics.

This sort of thinking in his view also expected what he called a “spill-over” from economic integration to political integration. As economic integration proceeded, the ‘necessity’ for cooperative solutions would compel a “spill-over” of integration from the economic spheres to political ones; unification was therefore a self-reinforcing dynamic. He argued that integration thus far had been confined to the areas of policymaking which are necessary to create pre-determined goals, such as a European Common Market. He did not see this dynamic as possessing a self-propelling momentum which will carry it into the political sphere.

Another source of Cleveland’s skepticism of the Atlantic Community was its original intended purpose. The prevailing feeling, he felt, was that Atlantic integration was a natural

consequence of the cultural affinity of the Atlantic Community, something akin to a 'West'. In contrast, he locates its origins in the Cold War. The USSR generated an ideological response from Europe and the Atlantic, uniting them under the banner of liberal capitalism against a common enemy. In his view, should the USSR no longer pose a threat, the cohesion of the Atlantic Community would wither (b Atlantic Policy Studies Series 1963). This view was echoed by international relations scholar Hedley Bull during the discussions, arguing that NATO (the North Atlantic Treaty Organization), was not the military arm of the Atlantic Community as was thought by some, but rather a military alliance, not unlike others in history, in which the national interests of different nation-states coalesce around resisting a common enemy, but served no purpose beyond that (c Atlantic Policy Studies Series 1963).

Cleveland also argued that integration in and of itself was not necessarily conducive to Atlantic integration; that European integration was in tension with Atlantic integration. He argued that if Europeans were willing to forgo national sovereignty for the sake of European unity, then such a movement would also inevitably desire to carve out a degree of autonomy from the United States. Gaullism is the political expression of that impulse; the desire for a "European Europe" that would rival the United States and the Soviet Union in global politics. Even on the economic front, Cleveland argued that the Europeans would rather preserve and deepen the European Free Trade Area rather than join an Atlantic one. This view is in contrast to Kennan's, who believed a neutral Europe would help balance the US and Soviet Union and thus be in the American interest (Cleveland 1966).

Cleveland's pessimism regarding the continued integration of the Atlantic Community is contrasted with his general optimism regarding its future: he did not see the slowing or reverse in Atlantic integration as a problem. He argued that expectations for continued integration were a

function of the aberrant postwar period, and dynamics were expected to regress to the mean. He expressed optimism regarding the stable peace and economic growth that has followed the war, and expected that these might continue despite the problems for the Atlantic Community that have arisen (ibid 1966).

Though he was the Director of the Series, and thus his views heavily influenced the tone of the discussions, Cleveland's views were not necessarily representative. Though there was general agreement regarding the problems of the Atlantic Community, most discussants expressed more concern. A significant example was John J. McCloy, who was both chairman of CFR, and a high-level policymaker during the Second World War. McCloy, was much less sanguine than Cleveland regarding the Cold War, emphasizing the importance of the Atlantic Alliance in waging it. He felt that presenting a united front was an important message to convey to the USSR. Like Cleveland, he saw the Atlantic Community as a positive grouping following the war, but did not share his view that the deceleration of integration and rising tensions was a non-issue. He described Cleveland's characterization of the Community as "Utopian," which he took issue with, pointing to the concrete benefits it had provided the United States. He also thought that Cleveland overemphasized the level of resistance to the Atlantic Community in Europe; specifically, that President De Gaulle's views were representative of Europe generally, which he did not believe was the case (^dAtlantic Policy Studies Series 1965).

Another example was Raymond Vernon, another state department official who worked on the Marshall Plan and an executive of the Mars candy company. In a December 16th, 1963 meeting of the Advisory Group on Atlantic Trade and Economic Arrangements at the APSS, he questioned the existence of an Atlantic Community at all, pointing to the possibility that American foreign economic relations could be influenced as much by its relations with Latin

American or African countries in the future rather with just those designated within the Atlantic area (Atlantic Policy Studies Series 1963). His skepticism reflects the growing sense that discord between the United States and Europe might mark the conclusion of the close ties they experienced in the postwar era.

Where many of the participants to the APSS were reacting to a decline in the quality of Atlantic relations since the Second World War, others, particularly the younger participants, were looking ahead. They saw Atlantic relations within the context of fundamental changes to international society: the coming of an ‘interdependent’ world. This chapter will focus on two key figures: Zbigniew Brzezinski, a Sovietologist and future National Security Adviser to President Carter, and Richard N. Cooper, an economist and future member of President Carter’s state department. Their work would set essential foundations for the conceptualization of ‘interdependence’ among foreign policy experts, and their participation in the APSS would provide them with the essential professional and intellectual springboard to make their contribution. But, before this chapter moves to these figures, it is necessary to discuss how APSS also marked the beginning of a shift in American foreign policy expertise

III.II Zbigniew Brzezinski and an Alternative Foreign Policy

This section traces the career of Zbigniew Brzezinski from academic in the late 1950s, to think tank founder and policymaker by the 1970s. Subsection III.IIa provides some background and justification for focusing on Brzezinski. Subsection III.IIb outlines some of his early views in his career as an academic. Subsection III.IIc follows him through the APSS and the

publication of his critical think piece *Between Two Ages*. Subsection III.IId traces his founding of the Trilateral Commission and his ascension to the highest rungs of American foreign policy.

III.IIa Background on Zbigniew Brzezinski

This section traces Zbigniew Brzezinski's intellectual evolution, from his views as a doctoral student at Harvard in the 1950s, to his founding of the Trilateral Commission in the 1970s. In doing so, it covers the emergence of an alternative foreign policy to the Cold War, an early articulation of a cosmopolitan philosophy that would underpin policy preferences, and a portion of the historical narrative of how the technical experts supplanted the Practical Men, highlighting the construction of institutions. Brzezinski's biography is an indelible part of this evolution, given both his prolific scholarly output and his institutional entrepreneurship. The APSS is a part of his evolution. He published *Alternative to Partition* through APSS, which marked the evolution of his views away from emphasizing the Cold War to other aspects of the international environment.

Brzezinski's intellectual evolution is primarily the story of the development of an alternative agenda for American foreign policy. Similar to Kennan, Brzezinski starts his career as an expert on the Soviet Union, possessing generally confrontational views regarding America's optimal posture towards it, before coming to see the Cold War as a matter of secondary importance in relation to the changing nature of international relations. Therefore, in this section I portray him as a successor to Kennan; though Brzezinski did not take direct inspiration from Kennan's work, their shared intellectual background and convergent views create a natural continuity from one to the other.

III.IIb Brzezinski's Early Views

Zbigniew Brzezinski was born on March 28th, 1928, in Warsaw, Poland. Both of his parents were members of the Polish nobility, and his father was an ambassador for the country. This took Zbigniew across Europe, spending his early childhood years in France, Germany as well as Poland. At the outbreak of the Second World War, the Brzezinski family left Poland for Canada, where Zbigniew spent his adolescence before enrolling in McGill University in Quebec for his undergraduate degree, where he wrote his undergraduate thesis on Soviet nationalism. In 1950, he enrolled as a doctoral student at Harvard's Russian Research Center. Vaisse (2018) notes that Brzezinski was a "Cold War liberal"; a supporter of Adlai Stevenson and a staunch anticommunist, though he did not endorse the zealotry of the Mccarthyite purge.

Brzezinski worked on two main projects during his time as a doctoral student. The first, published in 1956, was a book co-authored with established Sovietologist Carl J. Friedrich titled *Totalitarian Dictatorship and Autocracy*. The book offered a definition of a 'totalitarian' regime as applied to the Soviet Union, thereby intent on providing insight on its political system. The groups Fascism and Communism together as types of totalitarian regimes, thereby attributing similarities to Stalin's Russia and Hitler's Germany. Both, they argue, are inherently expansionary, as both ideological systems maintain that world domination is an essential aspect of its vision. The USSR sees itself as engaged in a global communist revolution, and is thereby always projecting an external enemy against which it is operating. It is impossible, therefore, to "peacefully coexist" with the Soviet Union, because it will disturb the international peace to wage a conflict against an external foe.

The difference between communism and fascism is that the latter sees war as an end in itself, whereas the former sees it as a means towards achieving a global communist order. And

because Marxism-Leninism dictates that capitalism will collapse by itself, Communists need not necessarily engage in war to realize their international goals of a communist world order; they merely need patience. Therefore, the Cold War is largely understood as a political conflict; the Soviet Union will attempt to nudge capitalism towards its inevitable demise through means short of an all-out war. Nevertheless, any “relaxation of vigilance” could prove fatal against an enemy still bent on a global revolution. In this analysis, attempts to build a lasting peace would be futile.

The second was his dissertation thesis: *The Permanent Purge*, published as a book in 1956. The project seeks to explain ‘purges’ as a political technique inherent to totalitarian regimes. It argues that, because totalitarian regimes are both isolated from their citizenries and intent on imposing an “official reality” upon them, it creates a situation where leaders are unaware whether their people, or even those within the leadership ranks, are dutifully conforming to the prescribed worldview, or whether they are scheming internally to advance their personal interests at the expense of others. It is an environment that encourages suspicion, and thus purges are routine techniques to mollify the anxieties of political leaders.

These works focused on analyzing the Soviet Union, and did not address his views on an American response in any great length. However, in his (1957) article for the *Journal of International Affairs*, he penned a criticism of President Eisenhower’s policy towards Eastern Europe. He argued that the supposed policy of ‘liberation’ of the region from the Soviet Union was entirely rhetoric. Because of the potential nuclear fallout from a confrontation between the two powers, the United States had limited itself to psychological warfare to try and support liberation efforts from inside the region, which had proven largely unsuccessful. Brzezinski argued that policymakers lacked courage in confronting the Soviet Union in the area, and had acquiesced to its control of the region. He even calls ‘liberation’ a verbal cover for

“neo-isolationism” which he argues is a live philosophy amongst policymakers. His proposed policy towards Eastern Europe is to put the question of NATO and German rearmament on the table in negotiations with the Soviet Union, in exchange for the Soviet Union allowing Eastern Europe out from under Soviet control, as a buffer between the US and the USSR.

As Vaisse notes, this policy proposal was entirely unrealistic, as neither side would accept the sacrifices Brzezinski was proposing. What is notable about the proposal is the echoes of Kennan’s approach. Though Brzezinski’s academic work depicted the Soviet Union as an aggressive power, perhaps viewing it more cynically than Kennan, he nonetheless shared his conception of Europe as an area in which a balance of power should be managed, rather than a zero-sum conflict with the Soviet Union in which it was imperative that the United States gain every advantage it could. He was willing to forgo NATO in exchange for a neutral buffer in Europe, sharing Kennan’s preference for a “Third Force” on the continent to balance the US and the USSR. He was also, like Kennan, unwilling to accept the division of Europe, pushing American policymakers to develop a coherent policy around the eventual dissolution of the Iron Curtain.

In the subsequent years, Brzezinski’s position on the Soviet Union softened. In a (1961) article, he distinguishes between the Stalinist stage of political development, and the regime under Nikita Krushchev. Though he still describes it as totalitarian, he argues that the distance and conflict between the society and regime which facilitated the purges had decreased. Terror was an attribute of the regime under Stalin, but it seemed to have moved away from its use as a tool of political control, deferring more to ideological conformity. However, he notes that maintaining the ideological zeal of communism within the Soviet bloc would be challenging in the long term, opening the door for political elites outside the USSR to diverge ideologically, and for outside

actors to wrench apart the Soviet Union from its satellite states. It was clear to Brzezinski's former co-author Carl Friedrich that he had moved away from 'totalitarianism' as the operative frame to understand the Soviet Union, and so the two men decided that Brzezinski would not participate in the revision of their book for the release of its second edition in 1965 (Vaisse 2018).

III.IIc APSS & Between Two Ages

In 1961, Brzezinski was invited to join the Council on Foreign Relations, and was asked to participate in the ongoing APSS project. His contribution to the project reflected his evolving views on the Soviet Union, Eastern Europe and American foreign policy. Brzezinski was asked to participate in a steering meeting of the APSS in May of 1965 to discuss the manuscript of the book that he would release under the auspices of the project. During the meeting, he expressed many of the same views that he had outlined in his (1961) article. "The Cold War as we have known it in the last fifteen years has ended and we are no longer trying to undo the changes in Eastern Europe. Our expectation of change is also different from the old spirit of the cold war."

He reiterated his view that the United States did not have a real policy towards Eastern Europe, and that it should orient itself towards easing the division of Europe, both for the sake of Europe and to allow the United States to reassert itself on the continent. When asked by Frank Altschul whether the Soviet Union would be involved in the engagement process between the West and Eastern Europe, Brzezinski responded that it should. He cautioned that the United States should avoid the appearance of trying to separate Eastern Europe from the Soviet Union, as it might provoke undesirable actors to take power in those countries. He suggested that they should look towards a future of Europe in which Western and Eastern European countries are closer to one another than to either the United States or the Soviet Union. The echoes of Kennan

are apparent: both pressing for a policy oriented towards ending the division of Europe, and the creation of a neutral Third Force on the continent, though Brzezinski does not use that language explicitly.

The same year, he published *Alternative to Partition* (1965) through APSS. He proposes a “joint all-European development plan” in the vein of the Marshall Plan, particularly aimed at injecting funds into Eastern Europe and increasing trade, with the objective of improving ties between the West and Eastern Europe. The plan is based on an analysis of the softening of the Soviet Union; Brzezinski wants to thread the needle of creating closer ties between Eastern Europe and the West while not provoking the Soviet Union. And in doing so, hopes to bring the Soviet Union itself into the fold, and achieve a “reconciliation with the West.” Towards the end of the book, he lays out his vision for the future configuration of international relations: he envisions a “future cooperative community” made up of four units, the United States, the Soviet Union, and Eastern and Western Europe as “two halves of the inner core” that would eventually come closer together. Though distinct in substance from Kennan’s preferred configuration (which is unsurprising given the distinct geopolitical context), they share a vision of a configuration of international relations which can allow for the dissolution of the Iron Curtain and a conclusion of the Cold War.

Brzezinski’s view contrasted starkly with the prevailing sentiments at APSS. There was general skepticism regarding both the possibility of realizing Brzezinski’s ambitious vision, and the normative justification for it. In a steering meeting on March 3rd, 1965, Princeton Professor Klaus Knorr peppered Brzezinski with a barrage of questions regarding the practicality of his plan, particularly pressing Brzezinski to articulate the details of what the institutions that will promote the kind of integration he is advocating for would look like, and to consider whether

there is appetite for the level of integration he wants on the European continent (^dAtlantic Policy Studies Series 1965). The published version of *Alternative to Partition* does not contain these details: it reflects Brzezinski's favored geopolitical configuration rather than a concrete policy prescription. In a steering meeting on March 2nd, 1966, Cleveland states that his disagreement with Brzezinski is fundamental: Cleveland does not see an appetite for "East-West rapprochement" (^fAtlantic Policy Studies Series 1966).^e Amidst the general doubt surrounding Atlantic matters that characterized the APSS, Brzezinski's proposal was received with little enthusiasm.

This did not deter him, however, as he continued to develop the ideas in *Alternative to Partition*, though he shifted his analytical focus. Through the late 1960s, Brzezinski's focus shifted away from the Soviet Union and communism, as Vaisse notes, "their unending stagnation made them less interesting." His intellectual work began to emphasize his loftier aspirations for the future of international politics. In 1970, he published *Between Two Ages*. This book differs entirely from his other academic work; influenced by historical sociology as much as international relations, and motivated by larger and more philosophical concerns. The style is also less formal; he describes it as a "think piece" rather than a rigorous work of social science.

The principle thesis of the book is that the industrial period of human history is giving way to a "technetronic" period, a neologism of his invention alluding to the increasing centrality of computers and communications in social life. Though this shift will have a significant effect on international relations, it will come by way of the impact on people's mental lives. The compression of space and time will increase perceived proximity, heightening the sense of a global community, but will consequently also detach people from their traditional conceptions of

community and identity, thrusting them into an unknown environment that could breed feelings of detachment and anxiety.

This creates the threat of social dissolution. Brzezinski describes a “threeway” split, describing divergent consciousnesses around the world corresponding to modes of production: agrarian, industrial and technetronic. He foresees extreme difficulty in reconciling these different perspectives on life, while the globalizing pressure of technetronic forces will make it increasingly imperative. Poorer nations will become more keenly aware of their relative depravity due to the progress in communications, making the experience of poverty less tolerable, thus increasing the risk of violent reprisal. In the wealthier nations, regressive instincts to recapture a lost sense of community and identity could cause intentional efforts to fragment from the emergent global community.

Brzezinski’s solution is to double down on the globalizing pressure, to provide people with a novel ideological underpinning for their new reality: a global consciousness. The task of political leaders is to move people past nationalism and towards a planetary identity. He envisions a “community of development nations,” consisting of both a political arm dedicated to deepening cooperation, and an informational arm that would pool research resources and create common educational standards, creating a “world information grid.”

The parallels to the globalization literature of the 1990s is striking, particularly how similar Brzezinski’s proposed “world information grid” is to Thomas Friedman’s description of a flat world. The influence of historical sociology is also notable, and unsurprising given his work with Alex Inkeles and Barrington Moore Jr. at the Russian Research Center at Harvard, and his exposure to Talcott Parsons’ work during that period. The central concern of the book is deeply

Durkheimian: the fear that historical change will disrupt the social fabric, and finding new ways to prevent the dissolution of society.

However, it is also clear how his past thinking on international relations shapes this work, particularly his conclusion. Throughout the 1960s, he lamented that the United States did not have a policy for Eastern Europe, and sought to deepen cooperation between the United States, European countries and the Soviet Union to dissolve the division of Europe. But by 1970, it was clear that the Cold War had been sidelined in his thinking. He saw it as waning and becoming less ideological, more amenable to routine management. Therefore, the impulse for international cooperation derives less from the East-West rivalry than this existential problem of global historical transition. Nevertheless, the solution of deepening international cooperation is the same.

III.IId Vietnam and the Trilateral Commission

This shift in rationale is pivotal in the divergence from Brzezinski seeing the Cold War as the organizing principle of American foreign policy, and cooperation as a means to manage it, to seeing cooperation as an end in itself, mirroring Kennan's evolution in the late 1940s. It was also a timely political move, as the War in Vietnam was becoming increasingly unpopular, creating room to develop a novel modus operandi for American foreign policy. This political tension permeated the Council on Foreign Relations: when William Bundy was selected by David Rockefeller to take on the chairmanship of the Council, he was decried as a "war criminal" by left-leaning members of the Council for his policymaking role in Vietnam (Grose 1996).

Brzezinski himself underwent an evolution on the issue of the Vietnam War. In 1967 he described himself as a 'hawk,' wanting to maintain American military presence in Vietnam, primarily to preserve American credibility in Europe. While a Professor at Columbia, he

encountered numerous student protests against himself specifically, including an attempt by protestors to break into his office. Unsurprisingly, he condemned the student protestors as shallow and excitable, brought together solely by their opposition to the Vietnam War but lacking a true unifying political ideology characteristic of successful social movements (Vaisse 2018). However, by 1969, he began to view the issue more negatively, and joined the “National Committee for a Political Settlement in Vietnam/Negotiation Now!,” and even traveled to Saigon to pursue a political settlement. This evolution tracked with his shift away from the Cold War and towards interdependence as the defining issue of American foreign policy, and provided him political room to advocate for the latter.

Other foreign policy intellectuals sought to distance themselves from the Council entirely. In 1970, Samuel Huntington, Professor of International Relations and Brzezinski’s previous colleague at Harvard, launched *Foreign Policy*, a journal meant to rival the Council’s flagship journal *Foreign Affairs*, with funding from the Carnegie Endowment for International Peace. In the opening article of the journal Huntington and his friend and investor Warren Demain Manshel declare that “an era in American foreign policy, which began in the late 1940’s, has ended,” and point to a need for a “re-examination and redefinition” of American foreign policy “in light of Vietnam.” They offer that *Foreign Policy*, with “no institutional memory,” can help set American foreign policy along a new course. Over the subsequent decade, *Foreign Policy* would become an important outlet for the intellectually-minded foreign policy professionals, with Brzezinski, Cooper and others publishing in it frequently.

In 1971, Brzezinski issued a criticism of the Nixon administration in *Foreign Policy* that articulated the distinction between the existing approach to American foreign affairs and the preference of himself and his partners. While he lauds the priorities of the Nixon administration:

quelling antagonism in US-Soviet relations, opening up to China, combating isolationism, and fostering partnerships with other developed countries, he argues that it is missing a long-range vision for the coming era of interdependence; specifically how to bring the developed countries together to tackle the problem of the Third World and the specter of global anarchy.

Brzezinski spent the following years laying the institutional groundwork for his vision of closer cooperation. Identifying Japan as a key node in the new cooperative world, he spent 1971 in the country and published his analysis in *The Fragile Blossom*. He returned to the United States convinced that Japan had to be integrated into the cooperative world he sought. He began to work with Henry Owen, who, sharing Brzezinski's view, had already established the *Tripartite Dialogues* at the Brookings Institution between the US, Western Europe and Japan to foster cooperation. Brookings also employed Philip Triesze and C. Fred Bergsten, both of whom had left the Nixon administration for its unilateral policies (Knudsen 2016). To fund his project, Brzezinski turned to his friend David Rockefeller, who was enthusiastic about the idea. In May of 1972, he invited representatives of the three regions to his estate in the Pocantico Hills, where the first meeting of the Commission took place.

Brzezinski was appointed the executive director of the Commission, and took a sabbatical from Columbia between 1973-1975 to run it. Vaisse describes Brzezinski as the “battery behind the Trilateral Commission,” in his coordination efforts across the United States, Europe and Japan, providing the Commission's “political and intellectual strategy. He also organized the working groups that would collectively-author the *Triangle Papers*, the Commission's publications on various topics, each containing an author from one of the three Trilateral areas.

Much has been written about the Trilateral Commission. Knudsen (2016) treats it as a case study of elite policymaking, Gill (1990) sees it as a bid to further American hegemony. In

1980, Holly Sklar published an edited volume titled *Trilateralism*, which depicts the organization as a discrete venue for transnational elites to realize their vision for a frictionless global market where politics will no longer stand in the way of profit, veering close to the conspiratorial literature on the Commission that traces its lineage to other popular mythical organizations such as the Freemasons and the Illuminati (e.g. Marrs 2001; Wood 2015).

Knudsen is correct in identifying the Commission as an example of elite policymaking, and Vaisse (2018) places it in the context of Brzezinski's career. However, the novel context this project offers for the Commission is for the developing institutional architecture of expertise on globalization. As Medvetz (2012) notes, the early 1970s were a period of frenzied development of think tanks in Washington, both in domestic and foreign policy. He calls the period the "crystallization" of the space of think tanks, as the organizations had cemented for themselves a position in American society adjacent to the political, economic, media and academic fields. In an increasingly complicated world, demand for knowledge was becoming increasingly specialized. And in a media landscape in which constant coverage was becoming the norm, the demand for rapid information was steadily increasing as well. These new think tanks were well-positioned to meet these demands. Brzezinski was, in this sense, an entrepreneur, recognizing the demand for quick and specialized knowledge on the novel international environment he had diagnosed in *Between Two Ages*. He also recognized, alongside Huntington in *Foreign Policy*, that Vietnam had left the door open for a novel approach to American diplomacy, and he seized the opportunity.

Contrary to the characterizations of the Commission as an organization representing the interests of elites looking to create a frictionless global market, the Commission was engaged with the Polanyian Dilemma. In the first *Triangle Paper*, Cooper, Motoo and Segré write "The

second problem is how to combine managed national economies, with their national pursuit of national objectives, into an open, harmonious, and mutually beneficial world economy.

Governmental attempts to influence domestic economic events may be frustrated by the movement of funds and firms across national frontiers, and they will be tempted to take defensive action, possibly damaging to other countries (Cooper, Motoo & Segré 1973)."

Cooper's diagnosis of interdependence was a paradigmatic axiom within which thinking and writing within the Commission took place.

The consolidation of the Trilateral worldview is articulated in the second Triangle paper, co-authored by Henry Owen, Francois Duchene and Mushkoji Kinhide, titled "The Crisis of International Cooperation." They employ Cooper's analysis of interdependence: it tempts countries to reject their dependencies and turn inwards, but they must devise systems of "Common Management" if the world is to meet the challenge of interdependence (Duchene, Kinhide & Owen 1973). And the solution is taken from Brzezinski, stating that "In a crowded world, the goals of *planetary humanism* must be sought through the rules, institutions, and contracts of common management [italics mine]," deviating slightly from Brzezinski's phrase "planetary consciousness." And like Brzezinski, they propose that this can bring an end to the Cold War; cooperation can "help to turn what Marion Doenhoff has called the "technical peace" of nuclear inhibition into a "political peace" of accepted International process. In doing so, the partners can give themselves a political purpose no longer provided by growth alone: at the further end of the Cold War, they can afford civilianisation without fear."

In the 1940s, Kennan was simply attempting to get his colleagues to care about the configuration of international relations rather than the Cold War. By the early 1970s, the Trilateral Commission was proposing an agenda for American foreign policy (and for the foreign

policy of other developed countries) that both sought to bring about a very specific type of relationship between countries, both what countries would be included in the alliance and what the substance of the alliance would look like, and argued that this agenda would also result in the end of the Cold War. Unsurprisingly, the Cold War gets little mention in the Triangle Papers; when it does it is referred to as the East-West conflict. Papers on the topic propose methods of diplomacy to reduce tensions and manage the East-West relationship, rather than a confrontational pose in which a war is explicitly waged.

The Trilateral Commission found some success in the 1970s. The United States and the Soviet Union entered a period of ‘detente,’ wherein tensions between them simmered as they were in dialogue over arms control agreements. Meanwhile, economic problems, including the collapse of Bretton Woods, inflation, and the oil crisis of 1973 were coming to the fore. The language of interdependence, which had previously been largely the purview of social science, was beginning to migrate into political speech, as a way for political actors to frame their agendas in a context wherein they were seeking to demarcate a new era. The idea of ‘interdependence’ was a convenient way to do this; to signal that problems like Vietnam and US-Soviet relations should be contextualized within a bigger change happening on a larger scale, and that is really where the energies of the administration are focused. This was in contrast to the language of the Cold War; of the global, morally-weighted conflict between the virtuous liberal capitalist system with the regressive communist system. The moral tenor of the language was turned down in favor of a more pragmatic approach to managing relations, as the imperative of ‘interdependence’ precluded adherence to such ‘nationalist’ concerns.

Examples of the language permeated the foreign policy rhetoric of politicians in the 1970s. As Secretary of State Henry Kissinger told journalist James Reston in 1974: “We have a

real belief in interdependence - it is not just a slogan (Policy Planning Staff 1974).” The themes of ‘interdependence’ were all over the rhetoric of presidents Nixon and Ford. President Nixon gave a speech in November of 1969 where he stated that “world economic interdependence is a fact (Public Papers of Richard Nixon 1969),” and subsequently listed some of the components of ‘interdependence’ outlined by social scientists: “Reductions in tariffs and in transportation costs have internationalized the world economy just as satellites and global television have internationalized the world communications network. The growth of multinational corporations provides a dramatic example of this development.” The United States was no longer the pre-eminent power in the international economy that it once was, and it was necessary to be more strategic about its international economic policy. His speech nodded to some of the core tenets of ‘interdependence’: increased competition, international balance of payments issues, and the need for LDCs to have better access to the industrialized countries’ markets. Kissinger gave a series of speeches in the early to mid 1970s surrounding the theme, including speeches titled “The Challenge of Interdependence” and “The Age of Interdependence (Department of State 1974).” President Ford declared at the United Nations that the oil crisis and the food crisis were both functions of ‘interdependence,’ and to solve them would require collective responses.

This is not to argue that ‘interdependence’ became the orienting strategy of American foreign policy during this period. Nixon extended the military campaign in Vietnam in the early 1970s, and decoupled the dollar from gold in 1971, both of which went against the spirit of interdependence. One could also argue that both he and President Ford deployed the language cynically to signal a new era in foreign policy, away from the war in Vietnam and towards a new era of cooperation. The introduction of the language of interdependence, however, signals the success of the FPEs in translating their work into government. This is evident in the State

Department commissioned-study of ‘interdependence’ through the Center for International Studies of the Massachusetts Institute of Technology in 1975. In a summary document titled *Toward a Strategy of Interdependence* (Department of State 1975), the author states that “a number of Department of State officers became convinced that at least some aspects of the phenomenon merited more serious or extensive scholarly attention.” They went on to ask whether “social scientists...have concepts and methods that can give us a more adequate understanding of the extent and nature of interdependence?” explicitly equating interdependence with social scientists. Though not all American foreign policy adhered to its tenets, the ideas were circulating in Washington.

The transition to the language of interdependence was facilitated by the failure of the War in Vietnam. The WASP Establishment, whose reputations for leadership were built in the Second World War, lost credibility as a result of the setbacks in the war. William P. Bundy, a quintessential Establishment figure and a key policymaker in the Vietnam War, was criticized within the CFR as a ‘war criminal’ in 1970 (Grose 1996, 51). Brzezinski’s colleague at Harvard, Samuel Huntington, started an alternative journal to the CFR’s flagship *Foreign Affairs*. In the opening article, he wrote that in the light of Vietnam, the basic purposes of American foreign policy demand re-examination and re- definition...a new magazine, having no institutional memory, can commence this task with a keener awareness that an era in American foreign policy, which began in the late 1940's, has ended (Huntington & Manshel 1970).”

Brzezinski himself sought to establish a new institutional basis for his views. In 1973, Brzezinski founded the Trilateral Commission, ‘Tri-’ symbolizing the envisioned future configuration of global leadership to be shared between the United States, Western Europe and Japan. Members released *Triangle Papers*, based on original research by different members of

the Commission on subject areas of international concern. The Trilateral worldview was articulated most clearly in the second *Triangle Paper*, co-authored by Henry Owen, Francois Duchene and Mushkoji Kinhide, titled “The Crisis of International Cooperation.” They employ Cooper’s analysis of interdependence: countries were tempted to reject their dependencies and turn inwards, but they must devise systems of “Common Management” if the world was to meet the challenge of interdependence (Duchene, Kinhide & Owen 1973). Their stated solution mirrored Brzezinski’s, stating that “In a crowded world, the goals of *planetary humanism* must be sought through the rules, institutions, and contracts of common management [italics mine],” deviating slightly from Brzezinski’s phrase “planetary consciousness.” And like Brzezinski, they proposed that this can bring an end to the Cold War; cooperation can “help to turn what Marion Doenhoff has called the “technical peace” of nuclear inhibition into a “political peace” of accepted international process...at the further end of the Cold War, they can afford civilianisation without fear.”

The Trilateral Commission was one of several organizations founded during the 1970s that sat in between the government and the university that was populated by FPEs. These included an expanded Foreign Policy Studies program at the Brookings Institution, which was run by fellow Trilateral member Henry Owen, *Foreign Policy* magazine run by Samuel Huntington, and a modernized CFR, which diversified its membership pool beyond the traditional WASP elite to include women, and members of diverse occupations including academics, foundations executives, members of the nonprofit sector and representatives of the media. The Council opened offices in Washington, and membership in the Council became more geographically diverse (Grose 1996: 60). This shift was part of a broader change in the landscape of political expertise in the United States. A discernible interstitial space, located in between the

government, university, business and the media, was starting to ossify, creating a new professional class of policy experts. Where the FPEs began their careers in the Gray Area, which consisted mainly as a conduit between the government, nonprofits and the academy, the “crystallization of the space of think tanks” (Medvetz 2012) to which they contributed enabled them to translate their academic work into policy influence.

III.III The Economic Side of ‘Interdependence’

This section covers the articulation of the economic side of the paradigm of ‘interdependence’ on which it was focused. Subsection III.IIIa introduces the tension between interdependence and sovereignty. Subsection III.IIIb introduces the economic context in which ‘interdependence’ was articulated. Subsection III.IIIc introduces Richard N. Cooper and his articulation of ‘interdependence’ through the APSS. Subsection III.IIId shows how ‘interdependence’ rose in popularity as a result of the economic crises of the 1970s, and found a vehicle to political salience in the Trilateral Commission.

III.IIIa The Tension Between ‘Interdependence’ & Sovereignty

The previous section covered one part of the story: the emergence of an alternative geopolitics to the Cold War, an early articulation of a cosmopolitan philosophy that would underpin policy preferences, and a portion of the historical narrative of how the technical experts supplanted the Practical Men, highlighting the construction of institutions. The following section

covers a different part of the story; primarily different areas of policy, including monetary, trade, and multinational corporations. But, the theme of this section is that the experts engaged with these policy areas thought about them in large part through the lens of the tension between ‘interdependence’ and sovereignty.

This can be attributed to economist Richard N. Cooper’s work; his (1967) book *The Economics of Interdependence*, which he published through the APSS, described the tension in the novel economic environment integration and sovereignty, and this theme would color subsequent work in venues such as *Foreign Policy* and the Trilateral Commission. Therefore, this section begins with Cooper’s involvement in APSS, and uses the release of his book as a temporal and intellectual springboard to discuss how Cooper and his colleagues approached the varied policy domains addressed in this section.

The deep engagement with this tension in the 1960s and 1970s, particularly in the realm of economic policy, is a sharp contrast with its dismissal in the subsequent decades. As will be shown, the economists discussed in this section largely took for granted that governments had to intervene in their economies to ensure some degree of general welfare, a standard conviction of the period that “mixed economies” were optimal. This was the heart of the tension, as governments would struggle to maintain the autonomy to create intentional change in their economies when the world was becoming more integrated, and international dynamics were beginning to interfere. However, as the expectation that governments would take on this responsibility fell away, so did the salience of the tension.

The shift can be observed in the tenor of the different terms used to describe the international environment. An ‘interdependent’ world, as described by Cooper, was uncertain, and rife with landmines that could undermine the stability of the international system. While he

recognized the potential benefits of interdependence, his book was, by and large, a discussion of all the possible ways it could go wrong, even more so than Brzezinski's *Between Two Ages*. The connotation of 'globalization,' on the other hand, is much more positive, conveying the shift from a world made up of discrete societies to one in which humanity is fully-integrated. In this context, nation-states are seen as antiquated, as is the view that governments should be shouldering the responsibility for administering welfare to their citizens. A globalized economy, where money and trade can find new markets for investment and growth, can step into the role that governments used to play.

III.IIIb The Economic Context

In 1958, the United States current account fell into deficit for the first time since the Bretton Woods system was created. This event catapulted international monetary issues back into the foreign policy agenda, following a decade dominated by the Cold War, because it threatened the integrity of the whole system. Bretton Woods was set up to facilitate free international exchanges by fixing the prices of currencies to gold, but allowing countries to finance payments deficits through short-term assistance from the International Monetary Fund (IMF), and to change the price of currencies relative to gold with approval from the IMF (Ruggie (1982) calls this the "double screen"). This system was intended to thread the needle between a functioning international monetary system that could facilitate free exchange, while not being overly-restrictive so as to impose austerity on national economies and drive up unemployment, which had been the problem in the interwar period. The architects of Bretton Woods: Harry Dexter White and John Maynard Keynes, both sought to infuse more domestic autonomy into the system than had previously existed. As Ruggie (1982) noted, after the Second World War policymakers felt that an international self-regulating market was fundamentally at odds with

domestic autonomy, and they sought more deliberate management of the international economy through collaboration.

However, as Odell (1982) noted, the system maintained a problematic degree of ambiguity. There was no formal mechanism to hold governments accountable for maintaining balanced accounts; the IMF was not empowered to compel governments to finance their deficits, and governments with permanent surpluses had little incentive to revalue their currencies upwards. The pendulum had swung towards domestic autonomy over monetary policy, but this created a new set of problems. By the late 1940s, countries such as Great Britain were experiencing large deficits, and the IMF was vastly under-resourced to finance them. This created a new, de facto system, whereby the United States would provide international liquidity, allowing governments to trade in their own currencies for dollars to keep their exchange rates stable and their accounts balanced. The dollar became the de facto international currency, serving as the default medium of payment for international trade and as a store of reserve value for governments.

This system worked so long as the American account was kept in surplus through the demand for American exports, which was kept high through the Marshall Plan and America's general supremacy in manufacturing. But by the late 1950s, the United States began to face competition from Germany and Japan. 1958 was the first year that American imports exceeded its exports. This created an intractable problem. The United States was still exporting dollars at a high rate to preserve international liquidity, but as imports overtook exports, the outflow of dollars was no longer being matched by returns on exports, and the Treasury started to run out of gold. This created a temptation to devalue the dollar, because devaluation would make exports cheaper and therefore more competitive in the global market, which would in turn improve the

balance-of-payments deficit. It would also make it cheaper to service the sovereign-debt burden of the dollar because the interest payments on the debt will be less expensive over time.

However, the reason not to devalue the dollar is that it would threaten the integrity of the financial system, because it is a unilateral/nationalist move which might spook other actors in the financial system to make self-interested moves themselves.

This uncertainty began to destabilize the system. The price of gold on the London exchange markets increased from \$35 to \$40 in 1960; its value increased amidst uncertainty that the United States could finance gold purchases. This set off a round of currency speculation against the dollar, as purchases of non-dollar currencies increased in anticipation of an increase in value relative to the dollar. As Odell writes: “The Bretton Woods monetary system had passed from an early postwar structure based on a U.S. surplus into one with what was beginning to seem a more than marginal or transitory American deficit (Odell 1982: 83).”

Testifying before the United States Congress in 1960, economist Robert Triffin argued that the root of the problem was the unplanned reliance on a national currency for international liquidity. The more the United States pays out its liabilities according to the needs of the international monetary system, the more its reserves will dwindle, as will confidence in its ability to provide liquidity, thus shaking collective belief in the integrity of the system. On the other hand, if the United States were to balance its payments by restricting the outflow of dollars and gold, the world would be starved of a liquid asset, thus also imperiling the system.

The “Triffin Dilemma” pointed to a need to devise a novel system for meeting the requirements of world liquidity. Triffin himself proposed that the dollar be replaced by a deposit mechanism within the IMF, such that decisions over world liquidity needs would be managed by an international organization incentivized towards preserving monetary stability, rather than a

national government, forced to negotiate fundamental tensions between domestic and international obligations. As Odell points out, the plan was essentially a “world central bank,” and would therefore impinge on national sovereignty in a way that the Bretton Woods system sought to resist.

These questions emerged right at the genesis of the APSS, and struck at the heart of the issues with which the Study Series was engaged. The concept of the ‘Atlantic Community’ was premised on American financing of European reconstruction. The balance of payments problems faced by the United States were a signal that that economic model was not sustainable, and changing it would have consequences for Atlantic relations. Monetary relations themselves were a venue for Atlantic tensions. De Gaulle accused the United States for being unable to manage its budgets properly, and thus holding it responsible for the woes of the international monetary system (Bordo & James 2011). In 1965, the French chief of the IMF Giscard d’Estaing proposed a collective reserve unit (CRU), which would replace the dollar as the international reserve unit controlled by the IMF, and linked to gold. For De Gaulle, this was a way to counter the monetary problems emanating from the United States. This was perceived by the United States as a maneuver for international control over the value of gold relative to the dollar, which it resisted.

III.IIIc Cooper & APSS

In this context, Cleveland sought to assemble a group of experts to address the questions of international monetary policy as it pertained to American foreign policy more generally. Amongst the experts he convened, this chapter will focus on Richard N. Cooper because of the central role his work played in this area, and that he played in subsequent institutional settings. He was born on June 14th, 1934 in Seattle, Washington, though he was raised in Maryland. After the Second World War, his family lived in Frankfurt, Germany for four years while his father

worked as a diplomat. Cooper earned his undergraduate degree from Oberlin University, his Masters from the London School of Economics, and his PhD in economics from Harvard in 1962. Cooper began his government work early in his career, serving in President Kennedy's Council of Economic Advisers from 1961 to 1963, while finishing up his doctorate (Kahn 2021).

Cooper is a less well-known figure than Brzezinski. He briefly served as Acting Secretary of State in 1980, but his highest political office was as Under Secretary of State for Economic Affairs during the Carter administration. However, his relatively modest notoriety outside the economics profession is belied by his stature within it. Following his death in December 2020, his colleague Jeffrey Frankel wrote that he had "always viewed [Cooper's research] as the original foundation of the study of international cooperation or coordination of macroeconomic policy" and that "he could have done a better marketing job if he wanted to be remembered as the father of "International Cooperation.""^g Frankel attributes the G-7 and G-20 meetings to Cooper's influence (Frankel 2020).

On May 16th, 1963, Cleveland sent Cooper a letter inviting him to a meeting in June to discuss American financial policy (^g Atlantic Policy Studies Series 1963). He notes that though the topic has been well-trodden, it largely depicted financial relations as an abstract system. Cleveland suggests that Cooper may be able to place financial relations in the context of American foreign policy. Cooper sends a lengthy response, placing Cleveland's question in a slightly different context (^h Atlantic Policy Studies Series 1963). Cooper is concerned with the question of international financial cooperation, rather than simply financial policy more generally, indicating his preference for the direction of financial policy. He sees cooperation as the natural solution to the problem of international imbalances of payments, and articulates several barriers to achieving the cooperation necessary to balance payments, which effectively

boil down to a tension between national economic objectives on the one hand, and the imperative to coordinate internationally on the other.

He places the balance of payments problem within the context of changes to the international economy since the Second World War; the ascendance of Europe on the one hand relative to the United States. But, he also notes that the increase in international travel between the United States and Europe, as well as the increase in trade and financial flows between them, are also important developments for financial cooperation. He is beginning to articulate a framework for how the international economy is changing, and how governments might think about solutions to the problems that will arise. His emphasis on 'cooperation' stems from the imbalance of payments, which is a product of these changes, which he describes approvingly, but notes that it creates these novel problems for governments.

In March of the following year, Cooper attended a meeting of the Trade and Economics group of the Atlantic Policy Studies Series (¹Atlantic Policy Studies Series 1964). The animating question of the meeting was whether economic integration was the unalloyed positive that it was assumed to be. Hungarian economist Bela Balassa argued that the economic benefits of trade liberalization were negligible; that the domestic market was still far more important, and that liberalization of capital flows could breed instability. However, he still favored liberalization for the political benefits of integration. Cleveland sought to reconceptualize American economic interests in Europe, whereas following the Second World War its economic interests were deeply-tied to its political interest of stabilizing Europe and creating a bulwark against the Soviet Union, by the 1960s American interests in Europe were more about America's narrow interests in the continent rather than the broader interests of political stability.

In the context of this ambiguity surrounding integration, Cooper posed a question to the group. He said “movement toward integration in an Atlantic Community sacrifices some national control over domestic economic objectives. Are the gains of integration worth the sacrifices of national autonomy in setting national economic objectives so that we should continue to press for greater liberalization of trade and freer capital movements?” His puzzlement on this issue would become a central problematic in the book that he published through the APSS. He was keenly aware of the tradeoffs of integration, echoing Kennan’s concern that political integration in the postwar years would transfer the “indivisible substance” of national sovereignty from one political authority to another. Cooper sought to make clear the tensions between national sovereignty and integration.

In November of that year, Cooper attended a meeting of the monetary group, in which he discussed the manuscript of his book (^j Atlantic Policy Studies Series 1964). The subject of the meeting was whether the Atlantic Community existed; whether it was a useful analytical frame to understand international relations. Cooper faced questions on his use of the concept, to which he replied that he was defining the Atlantic Community as “the free world industrialized countries, and includes the Group of 10 and Japan, but excludes Austria, Finland, Spain and Portugal.” He asked whether it was in the American interest to identify with this group further. However, much of the rest of the discussion centered on the utility of the concept, with people suggesting that Cooper not begin with the Atlantic Community as a given, but rather as a grouping to be discovered through investigation.

On December 1st, 1965, Cooper attended a second meeting of the monetary group to discuss his work-in-progress (^k Atlantic Policy Studies Series 1965). By this point, Cooper had come to more definite conclusions regarding both the direction of the international economy, and

his preferences for its development. He observed that as national economies were becoming more integrated, they were also beginning to place restrictions on goods and money to preserve national economic autonomy. This was to be expected, given the tension between integration and sovereignty. He argued that this was not an optimal situation; if governments were basing their economic policies on short-term responses to the policies of other governments, then the resulting status quo of the international economy would be optimal for no one. What was needed was centralized, international coordination of economic policies that could both consider the tension between integration and sovereignty, and plan for a long-term horizon that could be more universally-amenable. He was, however, pessimistic regarding this possibility, and resigned to attempting to curb national restrictions as much as possible.

Cooper published his book, *The Economics of Interdependence*, through APSS in 1968. The influence of the book extended into the academic realm, becoming a foundational text in the nascent field of International Political Economy. In the book, Cooper articulates concepts that would become central to the Trilateral Commission in the subsequent years. The first is a ‘matrix of constraints,’ which he describes as follows: “Like other forms of international contact, international economic intercourse both enlarges and confines the freedom of countries to act according to their own lights. It enlarges their freedom by permitting a more economical use of limited resources; it confines their freedom by embedding each country in a matrix of constraints which it can influence only slightly, often only indirectly, and without certainty of effect (Cooper 1968:4).” ‘Interdependence’ is a new status quo that embeds countries within a ‘matrix of constraints’ over which they do not have full control, creating uncertainty in policymaking and creating a temptation to claw back as much control as possible without regard for the international consequences.

The second is the distinction between ‘autonomy’ and ‘sovereignty.’ Here Cooper diverges from Kennan’s conception of sovereignty as an ‘indivisible substance’ by creating a framework within which some sovereignty can be devolved without triggering total loss of autonomy. He defines ‘autonomy’ as “the ability to frame and carry out objectives of domestic economic policy which may diverge widely from those of other countries,” and defines sovereignty as “the formal ability of countries or other political units to make their own decisions - and to renounce decisions previously made - but not necessarily to achieve their objectives (Cooper 1968: 4).” Cooper argues that by yielding some sovereign ability to make policy, countries can retain or even increase their autonomous capacity to achieve their national objectives, thereby capturing the benefits of interdependence without triggering the impulse for protectionism.

This problem manifests in the balance-of-payments. Because currency values are pegged to each other, changes in the domestic economy in one country affect the value of another’s currency. This mutual sensitivity creates the temptation to ignore the international policy implications as much as possible, and to react competitively in response to international disturbances. Cooper argues that the opposite path is more constructive. If countries can forgo their sovereign capacity to manage the value of their currencies; if it can be determined through international coordination, currency values can reflect the best interests of all countries affected. In particular, it can set currency values to provide governments maximum fiscal space to affect the national economies, thereby maximizing their autonomy.

This is his argument for trading sovereignty for autonomy; the sovereign capacity to manage domestic monetary policy will be transferred to the international level, thereby providing countries greater autonomy to pursue their domestic economic objectives by giving them

maximum room to maneuver within the matrix of constraints. In other words, Cooper sought to navigate through the tension between ‘interdependence’ and sovereignty by making an intentional tradeoff between national control over monetary policy on the one hand, and fiscal policy on the other. With the knowledge that in an interdependent world, governments have to face the reality of losing some sovereignty, Cooper was of the mind that this was best done intentionally, rather than through an ad hoc series of competitive actions.

III.IIIId Economic Crisis & the Trilateral Commission

Over the course of the 1960s, American officials continued to search for a solution to the American current account deficit, made more urgent by the increase in government spending on the war in Vietnam and the Great Society programs. There was increasing pressure to devalue the dollar, or to release its fixed value relative to gold all together, allowing exchange rates to float freely. According to Odell (1982), American Treasury officials such as Francis Bator and Henry Fowler were adamantly against this idea. Bretton Woods was premised on the collective management of exchange rates, to them abandoning the system would constitute a regressive and isolationist step, undermining international financial cooperation.

However, in August 1971, President Nixon announced that the United States was going off of gold, releasing currencies to float. This move reflected Cooper’s concern regarding the unilateralist temptation to safeguard domestic interests from international pressures. As Odell writes, “ Washington abandoned for some months its previous policy of managing international monetary affairs through multilateral negotiations and international organization, in favor of a new unilateral demarche involving public economic coercion directed at its allies.” This sparked a two-year period of international attempts to rebuild the Bretton Woods system, before the par value system was buried for good in 1973.

This development ran directly counter to Cooper's views. In the first *Triangle Paper* released by the Trilateral Commission in 1973, Cooper, along with Motoo Kaji and Claudio Segré, proposed an alternative direction, building on Cooper's previous work. Rather than countries abandoning cooperation on currency valuations, they should work towards developing a common monetary policy for the whole world, and shift their domestic economic management tools to fiscal ones. Internationally-managed rates would have to be more flexible than previously-allowed under the Bretton Woods regime, but they were intent on re-fixing currency values to each other, fearing the instability and ruinous speculation should currencies be allowed to float permanently.

The other innovation proposed in the *Triangle Paper* was the incorporation of the 'Special Drawing Right' (SDR). The SDR was the successor to the French CRU, though created as an abstract unit of account to be housed at the IMF, rather than an asset linked to gold as initially conceived. The United States and European countries had successfully negotiated on the creation of this reserve asset, which became usable in 1969, and envisioned that it would replace the dollar as the primary reserve asset. Currency values would be fixed to the SDR, and its value would be managed by economists at the IMF. The intent of the SDR was to escape the Triffin Dilemma; to release the United States from the obligation to provide the world with liquidity while maintaining a balanced account.

The SDR appealed to Cooper's desire to transfer control over monetary policy from the national to the international level. It would yield sovereign control over currency values, but by cooling the tensions deriving from monetary disputes, it would facilitate integration and cooperation, thereby providing countries with the opportunity to benefit from the positive aspects of interdependence, thus enhancing governments' autonomy to achieve domestic economic

objectives. While governments would lose national sovereignty over monetary policy, the paper encouraged them to harness as much fiscal capacity as possible to preserve their autonomy over their own economies. This system was designed to reconcile international integration with national ‘mixed’ economies, much as John Maynard Keynes sought to do with his idea for an international clearing mechanism proposed during the Bretton Woods conference. The SDR itself was an homage to Keynes, evidenced by their proposal to call it a ‘*bancor*,’ the name Keynes used for his international clearing mechanism.

However, the lack of progress on international monetary diplomacy in the subsequent years dulled Cooper’s optimism. Attempts were made to rebuild the system of par values, but currencies were ultimately left to float. In an (1975) article in *Foreign Policy* titled “Prolegomena to the choice of an international monetary system,” Cooper confesses a resignation that fixed rates may no longer be an option, and opts for a ‘managed float,’ though he laments cooperation on changing par values as well as the persistent reliance on a national currency as the international reserve currency, reiterating his preference for the use of the SDR.

The tone of his work contrasted quite markedly from Brzezinski’s. In *Between Two Ages*, Brzezinski articulated an ambitious vision for the future of international relations. Though the book was deeply-engaged with the potential risks of the new era, it was also optimistic about the potential for governments to overcome it, hence his founding of the Commission. Cooper, on the other hand, was more pessimistic about the prospects for cooperation, as he argued that governments would continue to prioritize their national autonomy and be reactive to any threat to it, rather than cooperate to overcome interdependence. Nevertheless, together, Cooper and Brzezinski’s work cover the philosophical underpinnings of a positive agenda for addressing ‘globalization’ (still called ‘interdependence’ at this point in time). Both argued that the

historical moment called for new levels of cooperation. Brzezinski's more spiritual work in *Between Two Ages* called for a 'Planetary Consciousness,' whereas Cooper's more grounded, policy-oriented approach arrived at 'Collective Management.'

The paradigm extended to Raymond Vernon's 1971 work, *Sovereignty at Bay*, which was a warning regarding the tension between national autonomy and the growth of multinational enterprises (MNCs). He observed that MNCs have greater flexibility than local companies in responding to local changes in the cost of doing business in a country compared to local enterprises, providing them an advantage over local enterprises as well as a point of uncertainty for local governments, compounded by the fact that MNCs can avoid local regulation if they wish as well. In general, there is a tension between nations possessing national economic objectives that they want to pursue; to have control over their trade, labor and supply of money, which the presence of MNCs disrupts. He advocates for a collective response to deal with MNCs, as opposed to ad hoc unilateral measures that could result in a patchwork that nobody desires.

Vernon's approach is predicated on an assumption that national governments are intent on maintaining control over their local economies, and enhancing the welfare of their people through governmental action. In this context, the incursion of MNCs represents a problem. This context is flipped a decade on, however, as the onus of general welfare and growth is transferred away from governments and towards private firms. Rather than MNCs being threats to economic autonomy and a barrier to achieving national economic objectives, they become the agents of economic growth and counted on for enhancing general welfare.

In a 1977 *Triangle Paper* authored by Cooper and colleagues, they articulate the tension between interdependence and welfare states. There is an assumption that governments are

obligated to ensure a minimum standard of living for their people, and that this obligation will only deepen over time (Cooper, Kaiser & Kosaka 1977). Interdependence complicates this task as it reduces a government's autonomy over its economy. Cooper argues that "National intervention is inevitable in the name of a more just society, but it should be guided through international agreement and joint action in such a way as to preserve the advantages of interdependence." A decade on, with the relaxation of the imperative for national intervention, full focus is given to the advantages of interdependence.

Bergsten also expresses reservations regarding how MNCs operate in an interdependent environment in Triangle 11. He fears that MNCs are making lucrative deals with host countries in which they are located, which are benefitting the MNC and host country, but leaving the home country out of the picture (Bergsten, Berthoin & Mushakoji 1976). This might spur home countries to react defensively to these kinds of arrangements by creating artificial barriers to investment, creating "investments wars" that could threaten a spiral of economic relations. This is in contrast to the attitude a decade on, in which a frictionless global economy where corporations could find the cheapest place to operate was seen as a positive feature of global competition.

In the context of the 1970s, the international monetary system was open to reform. The United States had been attempting to finance both an overseas war in Vietnam, and an expansion of the welfare state domestically under President Johnson's Great Society. When interest rates rose in Europe in 1970, the American trade balance slumped. The deficit exploded from 9.8 billion to 22 billion (Odell 1982: 202). The extreme situation of the dollar prompted a rush of speculation, panicking monetary officials in the United States and Europe. This created a dilemma for President Nixon. On the one hand, he could have listened to C. Fred Bergsten; an

economist and member of the CFR, Bergsten was Kissinger's assistant on the National Security Council. From 1969 to 1971, Bergsten had sent Kissinger multiple memos, recommending that the United States think through its goals for international monetary policy, and to work with allies to reform the system. However, Kissinger and Nixon were less interested in the details of monetary reform, prioritizing the classic questions of geopolitics and military-political relations (Odell 1982: 184). Kissinger's neglect ultimately led Bergsten to resign from the Nixon administration, and to publish a piece in the New York Times in 1973 in which he lambasted his former boss for his 'superstar' approach to diplomacy, neglecting the difficult, considered and multilateral effort to accomplish something as difficult as international economic reform (Bergsten 1975). President Nixon did not go down Bergsten's preferred route of reform. Rather, in the wake of hiring nationally-minded advisors Peter G. Peterson and John Connally, both of whom emphasized America's deteriorating economic position, arguing that foreign countries were taking advantage of American generosity, he decoupled the dollar from gold in August 1971, electing to make a unilateral decision (Helleiner 1994, 119).

The following years were characterized by a sharp divergence between the rhetoric of President Nixon, and the policies of his administration on international monetary policy. On the one hand, he continued to lean on the rhetoric of interdependence, as was customary for the period. In the very speech in which he announced the decoupling of the dollar from gold, he announced a 'New International Economic Policy' which called for a fundamental reform of the monetary system. In September of 1972, he gave a speech to the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development, in which he called for a "thoroughgoing reform of the world monetary system (Public Papers of Richard Nixon 1972)." Using the very premise of 'interdependence,' he stated that "Every nation

can prosper and benefit working within a modern world economic order that it has a stake in preserving,” emphasizing the positive valence of the phenomenon. He sought a “code which allows governments freedom to pursue legitimate domestic objectives, but which also gives them good reason to abide by agreed principles of international behavior.”

On the other hand, his policies maintained a unilateral bent. The collapse of the fixed exchange rate system prompted a rush of currency speculation. Representatives of France and Japan sought joint tightening of capital controls as a means to effectively take control of speculative capital flows. However, the Nixon administration refused, on the stated grounds that short term movements of capital controls were not necessarily negative, and were a vital part of a liberal international economic order (Helleiner 1994: 106). It was also the case that the Nixon administration had a vested interest in maintaining lax capital controls; the high American deficit prompted speculation against the dollar and in favor of other currencies, forcing other countries to adjust. Cooperative capital controls would mean that the United States would have to adjust itself. This was a dynamic that would play itself out repeatedly over the subsequent years: America’s disproportionate market power, either as a consequence of the size of its market or the hegemony of the dollar, meant that more market-friendly policies were favorable to the United States, and creating a political framework around international economic exchange would actually mean that the United States would have to adjust, which presidential administrations were mostly unwilling to do. This proved to be a persistent barrier to the FPEs.

This dynamic also played out in the negotiations to re-fix exchange rates. The “Committee of the Board of Governors on Reform of the International Monetary System and Related Issues” or C-20, which was a committee of economic officials of different countries responsible for restoring the monetary system, met frequently following the collapse of Bretton

Woods in 1971, but were unable to achieve their objective. John Williamson, an economist and observer to the C-20 negotiations in what was colloquially called the Second Row Club (Truman 2012) who sat in on the C-20 meetings but did not participate in the negotiations, argued in his retrospective on the negotiations that American intransigence prevented the creation of a new international monetary regime. After President Nixon decoupled the dollar from gold, the administration achieved the flexibility it needed to address its deficits by changing the exchange rate. Beyond that, its felt obligation to reform the monetary system was a “moral obligation” to make the system tolerable for the rest of the world. But such a reform might have constrained American economic policy, which American officials were not enthusiastic to pursue, despite their rhetoric (Williamson 1976: 175). The Jamaica Accords, which certified the new floating rates regime, were signed on August 1st, 1976. While this certified a de facto reality, it left many questions unanswered regarding international monetary management. As Cooper (1976) wrote, “Jamaica conferees left open all the difficult problems of actually managing a system of flexible rates.” Both he and Bergsten (1976), who had joined the Trilateral Commission, reiterated their calls for cooperation on exchange rate management as well as a multilateral surveillance regime of exchange rates, and replacing the dollar with the SDR. However, no serious attempt to reform the international monetary system was forthcoming, and currencies were left to float. The new de facto regime of monetary management began in 1979, when Volcker raised interest rates to tackle persistent inflation. This policy was not intended to replace the system of fixed exchange rates, but became the de facto practice for doing so. Not coincidentally, the context for Volcker’s decision was the shift in the economic strategy of the Carter administration away from managing interdependence, dealing a second blow to the FPEs.

III.IV The ‘LDCs’

This section covers the implications of the paradigm of ‘interdependence’ for the developing world. Subsection III.IVa introduces the tension between ‘interdependence’ and meeting the economic aspirations of the LDCs. Subsection III.IVb covers how participants in the APSS thought about these problems. Subsection III.IVc traces this line of thinking to the oil crisis of 1973 and the demands for a New International Economic Order.

III.IVa The LDCs & Interdependence

This section traces the evolving positions of the economists and international relations experts on the LDCs from the APSS. In Gladwyn Jebb’s series of questions to Kennan, he asked how they should think about and incorporate the LDCs. Jebb asked whether they could be considered part of the Atlantic Community to some degree. At the time, Kennan had largely dismissed the idea. But by the early 1960s, the wave of decolonization and political organizing in the Global South compelled these experts to consider American relations with them, and how they fit in a changing international environment.

The consideration of the place of the LDCs within the changing international environment had significant implications for their eventual position in a ‘globalized’ world. The conceptual distinction on the basis of geography, wealth and culture coincided with the roles that each country was expected to play. The countries of the Atlantic area, later narrowed to the Trilateral countries, were to lead the world, and the LDCs were expected to integrate into their vision; to augment their domestic governance to conform to the expectations of the Western economists, and play specific roles within the international economy as exporters of raw

materials. These expectations would extend to the 1990s: the imposition of governance models, which began in the 1970s, accelerated in the subsequent decades.

III.IVb APSS & the LDCs

On January 20th, 1949, President Truman announced that the United States would embark on an effort to provide economic and technological assistance to “underdeveloped” countries. The speech shouldered the responsibility of pulling the less-developed countries (LDCs) out of poverty on the United States. In the subsequent years, the development of social science expertise in the Cold War university would extend to this problem. As described at length by Nils Gilman (2003), “Modernization Theory” was both a sociological school of thought dedicated to the scientific study of social advancement, and a political tool to draw the non-aligned LDCs away from the Communist orbit.

However, this effort struggled to bear fruit. The prosperity experienced by the rich nations did not extend to the LDCs, exacerbating the inequality between them and making it more difficult to bridge the political divide. In 1961, representatives of countries in the Global South met in Brijuni, Croatia, to discuss their international position. They resolved that neither the Communist order on the one hand, nor the Capitalist on the other, was in their interests nor in the interests of the world. They decided to form the Non-Aligned Movement (NAM), inviting other Global South countries to take part. In 1964, UN representatives from the Global South further institutionalized their ambitions within international bodies by forming the UN Conference on Trade and Development (UNCTAD), to increase the influence of NAM in global decision-making (Prashad 2007).

The impulse to create an alternative to the existing liberal international order was born out of a feeling that sovereignty was being trampled upon for the sake of integration. As

historian Vijay Prashad put it, quoting Chilean economist Osvaldo Sunkel, the “liberal order wanted the new states to integrate into the world economy and disintegrate national economies.” This created a fundamental divergence of views. The Trilateral Commission sought to integrate the world into a cohesive economic system, under the leadership of the Trilateral countries. The countries of the Global South were to play a specific role in that configuration. Though the planners in the Commission were aware of the tension between sovereignty and integration, this did not go far enough for the leaders of the Global South, who felt that being pulled into the Commission’s orbit would constitute a loss of sovereignty, and they sought to create an alternative path forward.

Early discussions at APSS, when participants were deciding on the analytical foci of the project, centered around the question of whether the LDCs should be considered within the scope of Atlantic relations, or whether they should be separated analytically, with their own dedicated research group. John Pincus, a researcher at the RAND corporation, pointed out during a March 12th, 1964 meeting of the ‘Underdevelopment’ research group that the Marshall Plan was deployed with the intent of helping everyone, and that the LDCs would “develop in ten years or so along lines that satisfied the US vision of the world (Atlantic Policy Studies Series 1964).” That this did not happen stirred a view in the United States that it was perhaps not in its interest to try and promote the development of the LDCs. In a meeting of the Monetary Group in November of the same year, international trade specialist Isaiah Frank distinguished between the economic problems of the Atlantic countries and those of the LDCs: the former had “comfortable reserves” and “liquidity problems” while they had “resource problems.”

These views prompted the following question, which was considered at length during a meeting of the Trade and Economics group in December 1963: whether the dynamics of trade

between the Atlantic area and the LDCs could be subsumed under the dynamics of trade within the Atlantic area, and between the Atlantic countries and the Soviet bloc (Atlantic Policy Studies Series 1963). Alfred C. Neal, an economist and chairman of the Trade and Economics group, argued that they could not; that the dynamics were sufficiently different as to warrant a separate analytical effort. Gove Griffith Johnson, a state department appointee, argued that the necessity for a separate analytical focus was a function of priorities; relations within the Atlantic area and between the Atlantic countries and the Soviet Union were more important than relations with the LDCs, and given the limited time and energy of the participants, priorities would have to be set.

A concurrent sentiment expressed at this meeting was that the best way to help the LDCs was to focus on achieving full employment and economic growth in the Atlantic area. Leroy Stinebower, an executive at the Exxon corporation, argued that providing aid to the LDCs was contingent on finding unity within the Atlantic area. This view was reiterated in a meeting dedicated to the 'underdeveloped' countries in March the following year. Carl Kaysen, who had recently left President Kennedy's National Security Council to become a professor of political economy at Harvard, analogized the problem of poverty amongst the LDCs to poverty in the United States. The latter can only be solved once the majority of the country recognizes itself as a community taking on the responsibility to help the minority. Isaiah Frank, who chaired the Underdevelopment research group, pointed out that such an approach might heighten the sense of "impotence" amongst the LDCs, cautioning against the view that charity would be sufficient.

A distinct view expressed over the course of the APSS was that the LDCs mattered only insofar as they threatened American interests or the stability of the international system. During the first Trade and Economics meeting, Raymond Vernon questioned whether it would be beneficial to the United States to seek the growth of the LDCs, suggesting that the motivation for

such a policy would only come from a desire to prevent them from disrupting the international system, rather than a moral impulse (Atlantic Policy Studies Series 1963). Others, such as W. Arthur Lewis, an economics professor at Princeton University, went even further, comparing the political leaders of the LDCs who were rhetorically criticizing the west to Hitler and Stalin, and emphasized the distinct cultural heritage of the Atlantic Community on the one hand, and the LDCs on the other. In a January 27th, 1966 meeting of the “underdevelopment” group, Lucian Pye, a prominent Modernization theorist at the MIT Center for International Studies, took an entirely different approach, describing the issue area as a proxy for the American-European relationship, where the United States deployed the rhetoric of international equality to prod the Europeans to uphold their international responsibilities, rather than from an earnest desire to help the LDCs develop (Atlantic Policy Studies Series 1966).

The APSS produced new consensus on some of the issues related to the LDCs, but raised new questions and points of ambiguity as well. There was general agreement that there was a qualitative difference between the ‘developed’ and ‘developing’ countries; implicit in the concept of an ‘Atlantic’ area was an external grouping. Though the participants used some of the language of the ‘modernization’ theorists of the 1950s that saw the LDCs as in transition towards development (Gilman 2003), an emerging view was that there was a stubborn distinction between the countries that had successfully modernized, and those that had failed to do so. Therefore, they articulated a need to differentiate between them analytically; the problems facing the developed countries were different from those facing the developing ones, and required a different set of knowledge, and thus expertise, to tackle.

The participants were less united on whether to see the lack of development as a problem worth solving, or to see the LDCs as a political threat. Some, like Kaysen and Stinebower,

believed that Atlantic unity could provide the political and economic basis from which to help raise the LDCs out of poverty. Others, like Vernon and Lewis, saw the LDCs as a potential political threat to the established international order, suggesting a preference for an adversarial approach towards them. As the LDC issue became more salient over the course of the subsequent decade, this tension would color the debate surrounding how to approach it.

But it was also amenable to reconciliation, given the right analysis. Brzezinski and Bergsten in particular settled on a view that the LDCs were a threat to the international order, but the proper way to address this problem was not to adopt an adversarial posture, rather to create a deeper international institutional structure amongst the developed countries, and to invite the LDCs to integrate into it. The offer was that their aspirations for modernization were more likely to be fulfilled within the existing framework of international governance, rather than through pursuing an alternative system. Thus, by integrating into the existing system the threat of the LDCs to the international system would be neutralized.

The beginnings of this reconciliation can be seen as early as Brzezinski's 1956 article titled *The Politics of Underdevelopment*. He applies his framework of 'totalitarianism' to the underdeveloped countries, arguing that the modernizing aspiration of the LDCs make them amenable to the 'totalitarian' model and thus the Communist orbit, since the capacity of totalitarian governance to mobilize society and eliminate resistance is compatible with the objective of achieving industrialization. At this point in time, the threat to the international system rests more on the context of the Cold War as on the independent threat of the LDCs themselves. He warns that the existing American policy towards the LDCs; supporting dictators that are responsible for managing the modernization process but quelling social upheaval, was likely to end in revolution and a resulting regime adversarial to the United States. He expresses

the view articulated by Kaysen at APSS several years on, that aid should be provided on the basis of a unified, Atlantic approach, to encourage modernization. This political objective would be to cement good relations between the developed countries and the LDCs, to keep them out of the Communist orbit.

In *Between Two Ages*, Brzezinski retains the the concern that the LDCs could disrupt the international order, but shifts his overarching concern from the Cold War to interdependence. Brzezinski envisions a threeway split in the global political economy, broken down into technetronic societies, industrial societies and agrarian societies. The experience of relative depravity of those condemned to the latter could engender feelings of deep frustration, leading to violence. He argued that greater unity among the developed countries is needed to provide the political and economic basis necessary for a long-term, concerted effort to lift the developing countries out of poverty, and so to neutralize the threat that they pose. The maintenance of positive relations, and the evidence of a long-term commitment would help dissolve the immediate political threat and begin to move the world in a more constructive direction.

III.IVc The Oil Crisis & the NIEO

The issue of the LDCs came to a head in the early 1970s. The Nixon shock and the dollar's consequent decline set off a boom in commodity prices as investors sought to find new safe assets. Seeing the price of commodities increase, The Organization of Petroleum Exporting Countries (OPEC), including Saudi Arabia, Iraq, and Iran, placed an embargo on oil exports, collectively-agreed to raise the price of oil, and decided to embargo the sale of oil to countries that supported Israel in the Yom Kippur War, which included the United States (Prashad 2007). This constrained the supply of oil to the United States and increased the price significantly, creating an energy crisis in the United States and Europe. With their newfound economic

leverage, the countries of the Global South called for a ‘New International Economic Order’ (NIEO), which included a demand for resource transfers from the rich to poor countries, and democratization of the United Nations. The search for an approach to the LDCs, which had been a present conversation in the 1960s but very much in the background of the Cold War, became a salient foreign policy problem.

Bergsten chides American policy for sleeping at the wheel in a (1973) article titled *The Threat from the Third World* in Foreign Policy. Consequently, LDCs have amassed a monopoly on oil, and can exploit political divisions amongst the developed world in dire need of oil to its political advantage, undermining the efforts at creating a community of developed nations. The stability of the international financial system is also at stake, as the LDCs amassed huge export earnings as a result of their monopoly on oil, their newfound power in financial markets creates uncertainty amongst incumbent actors. Bergsten is especially concerned about their efforts to cooperate more closely with one another, demanding a new international economic order in contradistinction to the existing order. Already, he senses that they are exploiting divisions among developed countries for access to raw materials. Bergsten, like Brzezinski, favors integrating them more closely into the existing order, rather than allowing them to create their own.

By the mid 1970s, the Trilateral Commission became fully-engaged with the problem of North-South relations. Even during the founding meeting at Pocantico Hills, the idea of including representatives of the LDCs in the Commission was entertained, but rejected. Nevertheless, four out of the five *Triangle Papers* between 1974 and 1975 were dedicated to the subject. The crux of the problem is articulated in *Triangle Paper 3* by economist Richard N. Gardner, and his writing counterparts Saburo Okita and B.J. Udny, within the ‘interdependence’

framework. They observe that the oil embargo and the subsequent increase in the price of oil has both demonstrated the salience of interdependence, and raised the question of managing it as countries turn to economic nationalism to handle the crisis (Gardner, Okita & Udnik, 1974).

The paper is a call for a complete overhaul of relations between the ‘North’ and ‘South,’ although the geographic concepts they employ are ‘Trilateral,’ ‘OPEC’ and the ‘Fourth World’; the latter distinction being based on the countries with substantial liquid capital as a result of their ownership of oil reserves, and at the helm of the embargo on the one hand, and countries dealing with extreme poverty and with immediate need of financial relief, including countries such as India, Pakistan, Bangladesh, some African and Latin American countries. The authors suggest that instead of remaining at odds, OPEC and the Trilateral countries should cooperate on a policy to provide aid to the Fourth World. They propose an “oil facility” to be housed at the IMF, which would allow countries struggling with the price of oil to draw funds from the IMF without the restraints that generally accompany such drawings, which would be jointly-funded by the Trilateral countries and OPEC.

The authors express hope that such short-term cooperation could pave the way for longer-term cooperation between the Trilateral and OPEC countries. In *Triangle Paper 7* released by the same authors a year later, they lament that their proposed cooperative plan did not come to pass, and suggest reforming the structure of global governance to give the OPEC countries a sense of ownership within the international economy, by increasing their voting share in the IMF and World Bank from 5% to 15-20% (Gardner, Okita & Udnik, 1975). This type of power would be commensurate, they argue, with OPEC’s relative power within the international economy.

While the authors do criticize the OPEC countries, as well as developing countries in general, in *Triangle Paper 3* for the same problem Cooper observed regarding the lack of equality within the societies, their proposed plan is to provide the OPEC countries leadership responsibilities in the international economy. This can be understood from an interdependence frame; they argue that they require their cooperation in maintaining a stable international order to tackle mounting problems such as unemployment, environmental degradation, and terrorism, among others. But one can observe, echoing Brzezinski's concern, that 'interdependence' implies that the fates of poorer countries are tied in with richer ones; to the extent that the former are contributing to international problems, it is in the interest of the Trilateral countries to engage with them.

One can also understand this position in the context of the NIEO, and perhaps cynically suggest that the invitation to take on greater leadership and responsibility within the international economy is a political attempt to tempt them away from creating a separate international economic system. Echoing Bergsten's concern, the combination of economic and political power of the developing countries could be construed as a threat to the power of Trilateral countries. There is no tension between genuinely adhering to an 'interdependence' view which would logically lead one to seek cooperation with the emerging powers of the developing world, while also seeking to undercut their political unity and draw them into the existing political orbit of the West as subordinate players.

What is notable in this context, and contrasts with the approach to international cooperation a mere decade later during the height of 'globalization,' is the ambition of international cooperation from national sovereign entities, to manage an international crisis by assigning global responsibilities to different power clusters according to each one's capabilities

and practical political interests. Because Gardner and his counterparts observed that the Trilateral world was rich but not liquid, while OPEC was poor but very liquid, their concept was to fund development assistance by directing OPEC's liquid assets to immediate financial flows, while the bulk of the aid itself would come from the Trilateral countries. This kind of global planning by public entities was not part of the 'globalization' view a decade on, as responsibility for addressing international economic crises rested less on the capacity for national governments to cooperate on solutions, and more on that of private investment capital and non-governmental organizations.

III.V The Collapse of 'Interdependence'

This section functions as both a conclusion to the preceding chapter and the bridge to the following chapter. The preceding chapter has documented the rise of interdependence as a paradigm in American foreign policy; how it had affected approaches to international politics, economics and the developing world in particular. However, the fortunes of the paradigm were in jeopardy by the conclusion of the 1970s. While presaged slightly with the failure of restoring the system of fixed exchange rates and replacing the dollar with the SDR, the full collapse of interdependence as a governing paradigm did not occur until the late 1970s, when the Carter administration fully-sought to implement it. This section documents this attempt, and presages its resurgence in the following chapter under the guise of 'globalization.'

III.Va The Carter Administration Turns Away from 'Interdependence'

It was through the Trilateral Commission that Brzezinski met Jimmy Carter. Carter was selected to join the Commission in 1973 because as Governor of Georgia, he had shown an

inclination to engage with international issues by opening up offices in Tokyo and Brussels (Vaisse 2018: 192). Over the subsequent three years, Carter would attend Commission meetings, and would later credit them as an education in foreign affairs and an opportunity to meet foreign leaders during his presidential campaign. Carter and Brzezinski also developed a personal relationship, and by 1975 Brzezinski had become Carter's chief foreign policy adviser in his campaign for president.

When Carter was elected, he named "some twenty Trilateralists" (Vaisse 2018: 181) to his administration, including Brzezinski, as well as Richard Cooper, C. Fred Bergsten and Henry Owen. This, unsurprisingly, fueled the fire of conspiracy, but also led to left-wing critiques of the elite insularity of American foreign policymaking, including Sklar's 1980 edited volume *Trilateralism*, and Noam Chomsky's (1981) article "The Carter Administration: Myth and Reality." This, as Vaisse points out, was a tension for President Carter, who presented himself as a Washington outsider in his campaign. However, it speaks to the shifting dynamics of expertise within the political field; the damage the war in Vietnam had done to the credibility of the Practical Men, and the appeal of the industrious and ambitious technical experts who had organized themselves under a coherent worldview, promising a bold new agenda for American foreign policy.

During the first two years of the administration, they sought to put their agenda into practice by devising a strategy for a collective revitalization of the world economy, which they called a "locomotive strategy." They proposed that three biggest economic centers in the world, as well as Trilateral participants, the United States, Germany and Japan, would cooperate on fiscal expansion, the idea being that cooperation on fiscal expansion from these countries could pull the global economy out of a recession (Biven 2002: 96). However, they were met with

resistance from both German and Japanese officials, who were weary of inflation. Frustrated, American officials allowed the dollar to depreciate on world markets, reducing the Japanese current account surplus and thus forcing it to bear the burdens of adjustment. Pursuing this course of action, the Carter administration essentially resigned to the sort of unilateralism Cooper and Brzezinski had warned against in the intellectual work previously.

One can read the late 1970s and early 1980s as the death knell of the concern with ‘interdependence,’ as the Reagan administration recenters the Cold War in American foreign policy. Even Brzezinski refocuses his work on the US-Soviet relationship, sounding the alarm on the Soviet invasion of Afghanistan (Vaisse 2018). However, I argue that this shift towards the Cold War was a temporary detour from a process already underway in the realm of foreign policy expertise. While the influence of the Trilateral Commission waned over the course of the decade, one of its principal architects, C. Fred Bergsten, founded the Institute of International Economics in 1981, which would become a key site of international economic analysis over the course of the decade, cutting its teeth on the debt crisis in Latin America. When the foreign policy agenda returned to ‘globalization’ in the early 1990s, Bergsten, along with many of his colleagues from the 1970s, were there to provide their expertise.

Unlike the 1970s, however, the intellectual climate in economics had shifted. Where in the 1970s, Cooper had advocated maximum leeway for countries to use their fiscal tools to manage their economies, reflecting a Keynesian sensibility that a ‘mixed’ public and privately-run economy was preferable, by the late 1980s the skepticism of government intervention in the economy had grown significantly. Where Cooper sought to navigate through the tension through preserving national autonomy by maximizing the use of fiscal tools, by the late 1980s the rationale had shifted towards relying on international investment and trade for

growth. The enthusiasm behind ‘globalization,’ the feeling of oneness amongst humanity, contributed to a sense that nationally-managed economies were antiquated, and the rising tide of global capitalism could lift all boats.

Though they were unsuccessful in their attempts at monetary reform, the FPEs were presented with a golden opportunity to influence American foreign policy with the election of Jimmy Carter as President of the United States. Carter had been a member of the Trilateral Commission for several years, and Zbigniew Brzezinski was a key foreign policy advisor (Vaisse 2018, 195). When Carter was elected, he appointed much of his foreign policy leadership team from the Trilateral Commission, including Brzezinski as National Security Adviser, Michael Blumenthal as Treasury Secretary, Harold Brown as Secretary of Defense, Walter Mondale as Vice President, and most importantly Cooper and Bergsten as deputies in the departments of state and treasury, respectively (Vaisse 2018, 181). They began to implement their views early in the administration. On January 22nd, 1977, two days after Carter was sworn in, Cooper and Bergsten accompanied Vice President Walter Mondale on a trip through Europe and Japan to press their case for a joint fiscal expansion effort (Biven 2002, 95). Their name for the policy was the ‘locomotive strategy,’ named for the metaphor of the economies of the United States, Germany and Japan as locomotives pulling the entire global economy out of a recession as the major economies of the world through a coordinated fiscal policy. It was, in a sense, a test of their theory; a way to show that international policy coordination could successfully address international economic issues.

However, as with the failure of monetary reform, the FPEs were stymied by the draw of domestic priorities. As part of the agreement to pursue fiscal expansion, German and Japanese officials wanted the Carter administration to remove controls on the price of oil, which carried

the potential of triggering domestic inflation. This set off a debate inside the administration. Cooper and Bergsten were adamant that the United States had to maintain its international commitments and decontrol the price of oil. Domestically-inclined advisers, such as Vice President Walter Mondale and Chief Domestic Policy Adviser Stuart Eizenstadt, argued that removing price controls on oil would drive up prices domestically, contributing to inflation and hurting Carter's chances of re-election. Ultimately, President Carter sided with the FPEs and decided to decontrol the price of oil in April of 1979 (Biven 2002, 177).

Simultaneously, however, inflation was re-emerging as a serious economic and political problem for the Carter administration. This was in part a consequence of the lengthy negotiation process to press Germany and Japan to pursue fiscal expansion. As Williamson wrote in 1982: "A major reason for the failure of the "locomotive approach"...was precisely that for 18 months the United States expansion was *not* matched by parallel actions in Germany and Japan, leading to a severe dollar depreciation and the consequential accentuation of inflationary pressures in the United States (Williamson 1982, 31)." In response to this problem, President Carter held a meeting in Camp David with his economic officials in the administration in July of 1979. The decision coming out of the meeting was to "shake up his cabinet." Carter had spent two years attempting to implement the locomotive strategy, but inflation continued to present a serious problem to the American economy, and he was a year away from re-election. As Biven (2002, 239) quotes member of the administration's Council of Economic Advisers Lyle Gramely, "what he [President Carter] had done, up to this point, was simply not dealing effectively with the inflation problem. He was searching for guidance as to what might be done." Coming out of Camp David, President Carter fired Treasury Secretary and Trilateral member Michael Blumenthal, appointed Fed Chairman William Miller to take over the Treasury Department, and

appointed Volcker as Chair of the Fed (Biven 2002, 238). Gramely is quoted as saying that “In many respects, his willingness to accept Paul Volcker as Federal Reserve chairman, which he did despite reservations expressed by the Council of Economic Advisers through Charlie, was, I think, because in part he felt that he just had to do something; that Volcker did have a reputation of being very tough on inflation, and he might be successful in dealing with the problem.”

Volcker’s interest rate hike set a new standard practice for monetary policy, which would supplant the ideas of internationally-controlled monetary policy. Central banks became increasingly independent over the course of the 1980s and 1990s (Polillo & Guillén 2005), and began to target the rate of inflation more explicitly. ‘Inflation targeting’ became a consensus, as banks around the world adopted explicit inflation targets. This, in essence, replaced the fixed exchange rate system. As outlined by Bernanke et al. (1999), inflation targeting works as a “nominal anchor” for the economy, creating a set of expectations for prices. But rather than prices being fixed to gold or a foreign currency, central banks announce price expectations. By 1999, when the practice had largely become institutionalized, Bernanke et al were praising it as a method of ensuring economic stability in an environment of political uncertainty. Because Central Banks were staffed by experts and were insulated from political pressure, inflation targets were not manipulated by actors with short-term political agendas (Bernanke et al. 1999: 13).

On the one hand, this method of price control diverted significantly from the FPEs initial vision, which was for an international political settlement for price control. On the other, it did achieve their stated objective of taking monetary policy out of the hands of national economic officials with domestic interests front of mind, and into the hands of experts. However, those experts are located not in an international bureaucracy with the interests of the international

economy in mind, but in Central Banks, which, while somewhat insulated from political pressure, are still national institutions. As former IMF official Eswar Prasad (2014, 179) paraphrases Swedish Central Banker Lars Svensson as capturing “the prevailing view among advanced economy central bankers: they had neither the responsibility nor the mandate to think about the spillover effects of their policies on other countries.” This leads to what Colombian finance minister Jose Antonio Ocampo (2017, 210) calls a “(non)system,” wherein Central Banks can intervene in their currencies however they want, so long as they do not ‘manipulate’ their exchange rates, “a term that has never been clearly defined.”

Much like the floating rates regime, economic officials did not intend for inflation targeting to become the de facto practice of monetary management. Rather, it became institutionalized because of a long, protracted process in which members of the Fed labored under conditions of a lack of doctrine. As Mallaby (2016) writes, between the late 1980s and 1996, the Fed was legally still responsible for full employment and managing the supply of credit, but it was practically inching towards inflation targeting. By 1995, after years of “doctrinal confusion” at the Fed, head of the Federal Open Markets Commission Janet Yellen suggested that the Fed target a two percent inflation rate, and that became the consensus. As Mallaby notes, the two percent benchmark was somewhat arbitrary, and neither Yellen nor Greenspan were enthusiastic proponents of inflation targeting. Rather, they settled upon it absent superior methods to manage prices.

Therefore, the Volcker shock represented a shift away from managing interdependence. Where Cooper and Bergsten had placed significant priority on reforming the monetary system through multilateral means, the actual trajectory of the monetary system followed the expansion of Central Bank authority, which was only explicitly charged with managing domestic monetary

conditions. Therefore, where the FPEs sought to incorporate international monetary policy into the realm of foreign policy, subject to diplomatic political negotiations, it was largely confined to the realm of experts insulated from politics in Central Banks, albeit with periodic multilateral interventions to address acute crises, which will be discussed later.

The shift away from managing interdependence was also in part a consequence of the influence of anti-communist critics of the Carter administration, who re-centered the Cold War in American foreign policy. President Carter met with representatives of this group, which created a representative committee called 'The Committee on the Present Danger' (CPD), frequently between 1977 and 1980. When President Carter signed an arms control agreement with the Soviet Union in June 1979 and presented it to the Senate for ratification, his administration was met with a political barrage that would shift the politics of the Cold War. On November 4th, 1979, the US-backed Shah of Iran was overthrown by the Ayatollah, and Americans were taken hostage. The following month, the Soviet Union invaded Afghanistan. The CPD testified in the Senate, asking the body not to ratify the arms control agreement. President Carter, sensing that he would be unable to ratify the treaty, withdrew it from the Senate on January 3rd, 1980 (Vaisse 2010, 179). In his State of the Union Speech twenty days later, he announced the Carter doctrine at the state of the union, centering the new Cold War in the Middle East.

The Reagan administration would subsequently maintain this renewed focus on the Soviet Union. President Reagan appointed key members of the anti-communist critics, including Richard Perle and Jeane Kirkpatrick, to his administration (Vaisse 2010). He adopted much of the moral tenor of their approach to the Soviet Union, describing the Soviet Union as an 'Evil Empire.' Most importantly, he pursued a large arms buildup to wage the renewed Cold War.

American-Soviet relations once again moved to the center of American foreign policy, and the international economic issues that had dominated during the 1970s were set aside.

Chapter 4

The Third Case Study

This chapter traces the FPEs through the 1980s to the early 1990s, as ‘interdependence’ becomes ‘globalization.’ Where ‘interdependence’ ran aground at the conclusion of the 1970s, it underwent a resurgence in the 1980s, albeit under the alternative guise of ‘globalization,’ which altered some of its substantive content. This chapter outlines these differences and implications for how to understand ‘globalization’ today, thus rounding out the relational theory of globalization. Subsection IV.Ia describes the shift from ‘interdependence’ to ‘globalization’ in the writings of C. Fred Bergsten, and his founding of the Institute for International Economics (IIE) and its attendant consequences for American foreign policy expertise. Subsection IV.Ib describes one empirical thread during this period; the shift from ‘interdependence’ as global management to advocacy of fiscal restraint in the United States as a means of stabilizing the global economy. Subsection IV.Ic picks up where subsection III.IVc left off, tracing the shift in orientation of the developed countries to the developing world as they turned to imposing free-market reforms. Subsection IV.Id briefly turns to the contemporary implications of the argument.

IV.I ‘Globalization’ & the Emergence of the IIE

The Google Ngram Viewer shows that the use of ‘interdependence’ peaked in 1977, before declining rapidly through 1983. That was also the year that Bergsten published a collection of his works from between 1981-1982. His assessment of the global economy at that time was that ‘interdependence’ was accelerating, despite the drop in the use of the term.

However, it was also the first time that the term ‘globalization’ entered his academic prose. He used it to describe the culmination of ‘interdependence.’ As he wrote: “The steady acceleration of global economic interdependence may thus have brought the world to a point where we have to conceive economic policy in a global rather than national context...In sum, there is strong reason to believe that we have entered an era of globalization, or at least widespread internationalization, of the economic cycle in which no single nation can long prevail with objectives or policies which are far out of step with the rest of the world (Bergsten 1983: 17).”

This was a very early use of the term ‘globalization,’ published in the same year that the famous Levitt paper was published in the Harvard Business Review that is thought to have popularized the term (James & Steger 2014). The way Bergsten was using it here was to refer to the culmination of ‘interdependence,’ where the world had become a single economy to be managed. While this idea was alive even a decade earlier in the Trilateral Commission, that the business cycle was ‘globalized’ seemed to refer to the completion of this dynamic. It was beyond the ‘sensitivity’ between national economies that Cooper characterized ‘interdependence.’ It was the true emergence of a single global economy.

Following his stint in the Carter administration, Bergsten pivoted quickly to think tank work. In 1981, with the backing of his colleague in the Nixon administration Peter G. Peterson, and a \$4 million grant from the German Marshall Fund, Bergsten founded the Institute for International Economics (IIE), today known as the Peterson Institute for International Economics. Located in the interstitial field of think tanks, the IIE was positioned to advocate for a certain approach to American foreign policy articulated by economists. The emphasis on international political coordination that characterized managing interdependence was preserved in the political advocacy of the IIE. The often-given solution to problems of interdependence in

the 1980s, though by then they were called ‘globalization,’ was more multilateralism, more international coordination.

Bergsten and the IIE were responsible for institutionalizing a unique brand of expertise in Washington DC. It is distinct from the domestic-oriented economic think tanks for its international focus. But it is also different from the expertise found in the IMF and World Bank. It is not an international bank; it is a think tank, whose members are attempting to influence American policy. Its fellows are not solely economists generating knowledge, but ‘policy experts’ providing policy-relevant knowledge to policymakers. Much as the FPEs were attempting to influence American foreign policy in the 1970s, the IIE is doing the same in the 1980s and ‘90s. Although the policies of the American Treasury and the Federal Reserve are not generally understood as ‘foreign policy,’ they nonetheless exert significant influence over the United States’ international position. The IIE provides policymakers with information about how to approach the international dimensions of American economic policy, which becomes a key concern following the conclusion of the Cold War and the peak of globalization.

IIE’s distinctiveness as a think tank is exemplified by descriptions of Bergsten’s character. He is a classic political entrepreneur. As described by the author of a (2006) retrospective on Bergsten’s career: “Fred is not shy about asking for financial support for the Institute. More important, he is very effective at securing it (Mussa 2006, 2).” Bergsten intentionally built the IIE to be able to respond to real-time policy problems: “With the aid of the Institute’s superb publications staff, the whole process from initial idea to public release of a detailed and persuasive study can process very rapidly. All this facilitates the Institute’s renowned ability to diagnose critical policy issues as they become important and to prepare and disseminate timely, relevant, and highly competent analyses (Mussa 2006, 2).” He also

assiduously cultivated a nonpartisan brand for the IIE to maintain access to both parties. The author quotes US trade representative to the GHW Bush administration Carla Hills as follows: “the Institute is nonpartisan, apolitical, and doesn’t run into the allegation that it represents one party or another party.”

IV.II The Pursuit of Balanced Budgets and Export-Led Growth in the United States

When Bergsten founded the IIE in 1981, managing interdependence was on the back foot. The Reagan administration pushed international economic issues aside. His administration implemented tax cuts and engaged in a large arms build up in its reinvigorated approach to the Cold War, both of which ballooned the deficit. Alongside the hike in interest rates the dollar went from a steep decline in the late 1970s to a precipitous rise in the early 1980s that alarmed American allies (Funabashi 1988: 4). The stated doctrine of “convergence” of Treasury Department officials such as Secretary of the Treasury Donald T. Regan and the Undersecretary of the Treasury Beryl Sprinkel predicted that market forces would align with the fundamental market value of the currencies (Funabashi 1988: 68). This amounted to, for America’s trading partners, a policy of “benign neglect” of the dollar, again an example of exploiting its exorbitant privilege. The combination of high deficits, high interest rates and a strong dollar created imbalances that frustrated America’s trading partners, as well as creating domestic pressures in the United States by making American agriculture and manufacturing less competitive, stirring up protectionist impulses.

The laissez-faire approach adopted by the Reagan administration was a sharp break from the preferred approach of Bergsten and the IIE. In a speech given to the Subcommittee on

International Economic Policy and Trade of the House Foreign Affairs Committee on February 1981, Bergsten warned that the Reagan administration's combination of tight monetary policy and loose fiscal policy was creating large budget deficits that were producing upward pressure on the dollar, and thus imperiling America's competitive international position, and preventing growth in Europe and Japan because of the high interest rates. When the world dipped into a serious recession the following year, Bergsten warned of a potential economic crisis. In a speech to the National Press Club in Washington DC on September 29th, 1982, he once again urged that the United States loosen its monetary policy to allow the economy to recover, and for European countries and Japan to pursue fiscal stimulus.

That year, the IIE published a book titled *Promoting World Recovery*, which was a statement signed by "twenty-six economists from fourteen countries" in response to the recession caused by the sharp interest rate hike in the early 1980s. In the statement, they advocated for a steady and coordinated return to fiscal expansion (Bergsten et al 1982, 2). In a background paper included in the book, Senior IIE fellow John Williamson addressed the ideological valence of the shift away from fiscal expansion, noting that there had been a "monetarist turn" in international macroeconomic policy, as the control of money had been preferred to fiscal tools as a mode of macroeconomic management. Though in the United States, fiscal deficits grew, by and large around the world fiscal policy had been contractionary, which was, in his words, "a striking departure from earlier Keynesian orthodoxy" (Williamson 1982, 21). Returning to fiscal expansion would mean a return to Keynesianism: "It would be silly to pretend that this does not involve "Keynesian" remedies, in the form of bigger money supplies or larger fiscal deficits or both: there are, after all, certain basic truths in economics, and Keynes did establish some of them (Williamson 1982, 31)."

In the depths of the recession in the early 1980s, the economists associated with the IIE urged a return to fiscal expansion and the loosening of monetary policy to allow the economy to grow, bucking the laissez-faire orthodoxy that was taking hold in the Reagan administration. This was roughly in line with the views in the 1970s. The vision of managing interdependence was for governments to make more use of their fiscal tools as they would devolve authority over their monetary policy to the IMF (Cooper, Motoo & Segré 1973). However, the way in which the United States recovered from the recession in the middle of the decade fundamentally changed both the American political economy, and the approach of the IIE economists. Because of the high interest rate environment, American debt was an attractive financial asset, as holders of American debt could expect large returns. Moreover, the easier international movement of capital meant that there were more potential buyers for American debt, specifically Japanese buyers in this case, who held large savings and were eager to invest them in profitable assets (Krippner 2011: 95). Thus, a new status quo emerged. The tension between supplying global liquidity through perpetual dollar outflows and the problem of increasing deficits had diminished, because the United States could run deficits, secure in the knowledge that they would be financed by foreign capital inflows.

To Bergsten, however, this new status quo was unstable. Where the United States had the luxury of pursuing its domestic economic objectives in an interdependent environment rather autonomously in comparison to other countries because “of its size, and particularly because of the international financial role of the dollar, the United States is able to export a portion of its domestic problems - either unemployment or inflation - to the rest of the world for an extended duration.” This was reflected in a strategy of what he called “benign neglect,” that is, neglecting the international consequences of its economic policy, exploiting its asymmetric advantages in an

interdependent environment, which the Reagan administration pursued by neglecting its trade deficit in the first half of the 1980s. But, in Bergsten's view, this could only continue for so long. "even the United States cannot export its problems indefinitely. Global interdependence has reached the point where the chickens inevitably come home to roost, albeit with a substantially longer time lag for the United States than for other countries. Unemployment or price pressures begin to emerge through external accounts. When this occurs, the United States is forced to abandon "benign neglect." (Bergsten, Davignon & Miyazaki 1986, 4)."

The convenience of the perpetual flow of foreign capital into the United States financing a permanent deficit created, for Bergsten, an unsustainable situation. In 1988 he wrote "the external financial position of the United States represents an enormous threat to future prosperity, both in the short run and over time...If foreign investors and central banks finally stop lending such quantities to the United States, recognizing the unsustainability of the situation, the dollar will plunge and interest rates will soar. The result could be a revival of both double-digit inflation and sharp recession. There would be enormous disruption to a financial system that is already quite fragile (Bergsten 1988: 5)." To eliminate the deficit, Bergsten argued, the United States would have to reorient its economy. It was based at that point around domestic consumption and government spending; it had to shift to export and investment-led growth. Thus, consumption and government spending would have to decline (Bergsten 1988: 94), the only way to do this would be by reducing the budget deficit through cutting entitlement programs and raising taxes. In his words, there was a "requirement of fiscal austerity (Bergsten 1988: 100)."

One can trace Bergsten's evolution from endorsing fiscal expansion to austerity as part of a consistent commitment to managing interdependence. If governments were unable to solve

their balance of payments problems through a political settlement, then the United States, as the supplier of the dollar, would have to take steps to maintain the stability of the global economy. This is not to say that he was anti-market. On the contrary, he embraced the philosophical market turn. As he wrote: “The benefits of global markets are simply too great to forgo...the great complexity of the world economy entirely rules out any alternative. Economic internationalization has thus been both an important driving force and a consequence of the increased orientation toward market forces throughout the world. The Reagan administration effectively promoted and expanded these trends, and they clearly produce a global environment that is congenial to American philosophy (Bergsten 1988: 61).” However, markets were a tool to manage interdependence, rather than an end in themselves. When a political settlement seemed possible in the 1970s, Bergsten wrote that managing the international economy through “letting the market do it” as unlikely to occur: “In view of the multiplicity of national economic and social goals described above, and the deepening involvement of most countries in the world economy, it is highly unlikely that countries would agree to let the market fully work out such a critical price as the exchange rate and let trade flows - or, even more so, investment flows - go unchecked. It would be highly contradictory for countries...to increase the number and scope of their internal policy objectives, and hence policy instruments, and at the same time willingly give up all direct management of their international economic relations (Bergsten 1977, 12).” When the political circumstances changed, and markets did become an acceptable avenue for economic management, Bergsten adjusted his views.

Where Bergsten urged policymakers to reduce the size of the deficit, the Reagan administration was unwilling to do so. It did, however, change its policy of ‘benign neglect’ of the dollar in the middle of the decade. The newly appointed Secretary of the Treasury James

Baker III, and his deputy Richard Darman, sought to repair relationships with Europe and Japan by addressing the balance of payments imbalances that had arisen as a result of the previous years of neglect by the administration (Funabashi 1988, 10). They entered a two year period of negotiations with allies to solve the problem, culminating in the Louvre Accord of 1987, which represented an agreement between the major powers that their administrations would keep their currencies within agreed target zones, reversing the policy of neglect and injecting some level of monetary policy coordination (Funabashi 1988, 178). This was in the spirit of managing interdependence, and indeed Darman had met with Bergsten and John Williamson, coiner of the ‘Washington Consensus’ and fellow at Bergsten’s think tank the Institute for International Economics (IIE), in 1985, who encouraged his implementation of target zones as a measure of coordination (Funabashi 1988, 198).

However, the fundamental dynamic in which the United States would finance perpetual deficits through an influx of foreign capital was left unaddressed. Though both Baker and Darman understood that this dynamic was contributing to endemic payments disequilibria, they could not agree to push against the administration’s stated domestic and foreign policy aims of tax cuts and military spending (Funabashi 1988, 86). Much like resistance to sacrificing perceived American national interests in the 1970s that prevented re-fixing exchange rates and the success of the Locomotive Strategy, the Louvre Accord represented a limited victory for their vision. And, much like the Locomotive Strategy was overshadowed by the sharp rise of inflation and decline of the dollar, the Louvre Accord was undercut a few months after it was reached by a large stock market crash in October 1987 (Funabashi 1988: 212). In a retrospective on the monetary coordination efforts, IIE fellow Yoichi Funabashi argued that it represented an ad hoc response to a temporary crisis, not mobilizing the requisite coordination to deal with the reality

of the “nonsystem.” As he wrote, “Instead of achieving the consensual agreement of the G-5, policy coordination has in most instances depended on a series of deals within the context of the G-2 or the G-3. The possibility of backsliding, overcommitting, or renegeing has continually threatened the credibility of these deals, in some instances, removing incentives to further cooperation. The inherent anarchy of the “nonsystem” could overwhelm the ad hoc approach of the Plaza strategy (Funabashi 1988: 245).” Published by the IIE, Funabashi’s analysis that they represented insufficient coordination echoes the frustration of the FPEs’ yearslong effort to achieve a level of economic coordination that ultimately proved elusive.

They would, however, find greater success following the election of Bill Clinton as President of the United States. Where Bergsten and Baker had been unsuccessful in persuading the Reagan administration to cut the budget, President Clinton was more amenable. As Treasury Secretary Robert Rubin noted in his memoir, “Many people might have been surprised to see a group of Democrats sitting around a table in Arkansas talking about the international bond market...Bill Clinton was the first American President with a deep understanding of how these issues were reshaping our economy, our country, and the world (Rubin 2003, 169). In January of 1993, Rubin conducted a meeting with the President and his economic team, in which he sought to persuade the President to cut the deficit. In a similar but importantly distinct rationale to Bergsten, he sought to bring down high interest rates by cutting the deficit, thereby actually growing the American economy while reducing the risks associated with relying on foreign financing of deficits by reducing it (Rubin 2003, 168). Where Bergsten saw the dynamic of foreign deficit financing as fundamentally unstable, Rubin was more comfortable with it, albeit recognizing that it had to be kept under control. The new political economy of foreign financing of American deficits could only work if bondholders have confidence in American fiscal

integrity, thus keeping deficits low is an important signal to bondholders (Rubin 2003, 512). Though President Clinton was not enthusiastic about deficit reduction, understanding that it would not be politically-popular, he is recorded by Rubin as having understood that it was necessary (Rubin 2003, 167). Despite the subtle differences between Bergsten and Rubin's reasoning for deficit reduction, one can trace the quintessentially 'neoliberal' policy of fiscal austerity to this need to manage interdependence. Indeed, Rubin titled the final chapter of his memoir 'A Declaration of Interdependence,' and lamented the American public's ignorance of the need to manage it.

Where fiscal austerity was one element of Bergsten's proposed transformation of the American political economy, the shift to export-led growth was another. This was a shift from the 1970s. As inflation was the most pressing problem facing governments during this decade, it created policy pressures to cut tariffs and increase trade, thus relegating protectionism as a concern. Between the Second World War and the 1970s, governments were seeking to avoid domestic unemployment by subsidizing domestic industries, erecting barriers to imports, and keeping currency values low and thus competitive, creating strong protectionist pressures. However, with the emergence of inflation in the 1970s, this trend reversed. Countries appreciated their currencies, and cut tariffs to allow more goods into their countries to fight inflation (Bergsten 1977, 24). But this began to reverse in the early 1980s. The failure to align exchange rates, coupled with the severe recession of the early 1980s, prompted a 'new protectionism.' (Bergsten & Cline 1982, 18). This was especially acute in the United States; the Reagan administration erected new import controls in large part to counteract the large bilateral trade deficit with Japan.

During this period, Bergsten developed a folk theory of the politics of trade that became well-known amongst his colleagues: called the ‘bicycle theory,’ Bergsten argued that history demonstrated that the politics of trade did not stand still, they either moved toward greater liberalization or greater protection. To keep the momentum moving towards liberalization and resist protection, a consistent political effort was required, much like a bicycle requires constant effort to move or else it will topple over (Mussa 2006, 18). This theory seemed to inform his subsequent advocacy of freer trade. As the United States climbed out of the recession in the mid-1980s, and protectionism subsided, Bergsten argued that the United States had to forcefully advocate for freer trade. Articulating a macroeconomic strategy for the United States that centered on reducing the current account deficit, which in his view was a major source of instability as it was reliant on perpetual foreign financing, he argued that the United States had to switch its macroeconomic model towards fiscal contraction and growth through exports, which would shrink the deficit. To do this, he argued that the United States had to negotiate hard to open up foreign markets to American goods (Bergsten 1988, 131).

This was a shift in his views. The FPEs had long expressed a desire to maintain open trade and avoid protectionism. However, the diagnosis of ‘interdependence’ in the 1970s also carried with it a weariness of unfettered trade; an acknowledgement that if governments were to maintain a level of domestic autonomy over their economies, their borders could not be blindly pried open. But Bergsten’s priorities shifted in the 1980s. As maintaining balanced budgets remained a vital concern absent an international monetary system to help governments manage them collectively, governments were forced to rein in their spending to avoid dipping into deficits. This meant that they would have to find growth elsewhere; Bergsten encouraged debt-laden governments to pursue export-led growth, both the United States and the indebted

countries of Latin America, as we shall see. This strategy would both deliver on the desired domestic economic progress and provide governments more latitude in their balance of payments.

The salient evolution in his views is the contention that national governments had to be pushed to liberalize trade, which is reflected in his recommendation to strengthen the existing General Agreement on Tariffs and Trade (GATT). Bergsten envisioned a transformation of the GATT into the WTO as early as 1982, writing that “GATT as an institution and its role in the trading system should be strengthened. Its staff should be enlarged, and given initiatory powers to monitor compliance by member countries with their obligations under the General Agreement. It should become a full-fledged international institution like the World Bank and International Monetary Fund, and less a temporary secretariat (Bergsten & Cline 1982, 55).” Bergsten was endorsing strengthening GATT at the expense of national governments so that they would comply with international rules. This came to fruition with the founding of the WTO. In 1986, the Reagan administration launched a new round of multilateral trade negotiations, in part to bring down the American trade deficit by finding a way to make American businesses more competitive internationally (Chorev 2007, 152). During the Uruguay Round, American negotiators insisted on strengthening the Dispute Settlement Procedures; the mechanism by which the GATT resolved disputes between trading partners, removing the veto power national governments had enjoyed previously (Chorev 2007, 157). The creation of the WTO was the most important institutional innovation that accompanied the formation of the WTO (Chorev 2007, 159). Bergsten’s imprimatur is evident; while the WTO imposes the practices of free trade (Chorev 2007, 162), the DSU was implemented to strengthen international institutions at the

expense of national governments, in line with the evolution of Bergsten's approach to managing interdependence through impinging on national economic autonomy.

By the early 1990s, during the peak of globalization, the transition of the American political economic model to Competitive Interdependence seemed complete. The Clinton administration passed deficit reduction in 1993 which brought the American balance of payments into surplus, and the North American Free Trade Agreement (NAFTA), which liberalized trade between the United States, Canada and Mexico, went into effect in 1994. One can locate the articulation of an export-led growth model for the United States in the writings of Lawrence Summers, Deputy Treasury Secretary in the Clinton administration and member of the IIE board of advisors. He wrote in (1994): "Twelve years ago, the United States' budget deficit was the world's major source of macroeconomic disequilibrium. We have now done what the rest of the world wanted to see us do; we have put the budget deficit on a sustainable path...Now, with the budget deficit coming down, we should look for reductions in the twin trade deficit. The healthy way for this to take place is through increased exports to growing foreign markets, not through a slowdown in our economy."

IV.III The Road to the Washington Consensus

Where American foreign policy had been focused on the Cold War, relations with what they called the 'Less-Developed Countries' (LDCs) had not figured prominently beyond their position in the global war on communism. However, the paradigm of interdependence placed greater importance on relations with the LDCs. One of Brzezinski's abiding concerns regarding the technetronic transition was the possibility of fracture between the Developed and Less-Developed countries. Where the Developed countries might reap the benefits of the

transitions, the LDCs would simultaneously be left behind, while improved communications technologies would make them more aware of their relative depravity (Brzezinski 1970, 20). He portrayed the Third World as a potential tinderbox, with Third World intellectuals potentially lighting the match to spark violence (Brzezinski 1970, 25). Bergsten chided American policymakers for ignoring demands from the Third World for a 'New International Economic Order' (NIEO) in the 1970s, which called for greater international redistribution of wealth and political power (Bergsten 1973). As the Oil Crisis of 1973 made the control of oil as a key resource a salient political weapon for the LDCs, Bergsten warned that ignoring them would only tempt them to try and challenge the existing international political economic framework. He was not optimistic about this potential outcome: "it is no longer clear that the United States would emerge "the winner" in confrontation with the Third World."

Both Brzezinski and Bergsten advocated for incorporating the Third World into their envisioned plans for reformed international political and economic authority. Brzezinski argued that greater cooperation amongst developed countries would allow for a more concerted approach to deliver aid to the LDCs, and on a more multilateral basis, going so far as to suggest the possibility of a future "global taxation system" (Brzezinski 1970, 114)." Bergsten argued that the LDCs should be given a key role in international decision-making processes, with some being brought into the "inner circles of international decision-making...Countries would be chosen on the basis of their weight in particular International issue areas, with different criteria applying to membership in different institutions (Bergsten, Berthoin & Kinhide 1976)." In response to the cartelization of oil in 1973 by the Organizations of the Petroleum Exporting Countries (OPEC), the Trilateral Commission members proposed the creation of an international oil facility that would be managed by the IMF, with equal contributions from Trilateral Countries

and OPEC, thereby drawing the OPEC countries further into their existing political and economic orbit, rather than the confrontational posture of the NIEO (Gardner, Udnik & Okita 1974).”

Where Bergsten feared the strengthened position of the LDCs in the 1970s, the positions changed in the 1980s. The hike in interest rates turned what was previously-manageable debt in many LDCs into an economic crisis, and the price of commodities, which were their primary exports, plummeted. The approach towards the LDCs shifted from appeasement to addressing the debt crisis. IIE made an early intervention in 1983 with William R. Cline’s book *International Debt and the Stability of the World Economy*. The book was a key intervention from the IIE in the international economic conversation. Contrary to the prevailing belief at the time, Cline argued that the problem facing debt-ridden countries was not one of insolvency, but of ‘illiquidity’; a temporary lack of access to reserves as a result of the recession of the early 1980s (Cline 1983). There was a level of novelty to the study, as Cline ran computer simulation to show that governments could find their financial footing in the near future if they could increase their liquidity. This study received a significant amount of press, including write-ups from the New York Times (Farnsworth 1982), The Washington Post (Rowen 1983) and the Wall Street Journal (Rout 1983). In an interview with Cline conducted by the author, Cline notes that the argument that governments should increase their liquidity through receiving funds from multilateral development banks informed the Baker Plan in the subsequent years (Interview with author). He further noted that the 1983 study established the IIE as an influential voice in Washington on international economic issues.

In the first half of the decade, however, the IIE did not recommend that the governments of Latin America fundamentally alter their strategies of macroeconomic management. The

diagnosis of the debt problem as a function of the recession meant that the situation should improve once the recession ended. Even in 1984, Williamson maintained that lending was the way out of the problem, recommending that SDRs should be introduced as a way to increase the reserves of indebted countries without risking further balance of payments issues (Williamson 1984). However, by the middle of the decade, when the recession came to an end, the IIE began to articulate a different view. The IIE published a joint study with El Colegio De Mexico and the Fundação Getúlio Vargas in Brazil; a joint-enterprise with Latin American economists. While the study concurred with Cline's argument that the recession caused the debt crisis, it noted that by 1986, the world was climbing out of the recession, and the countries of East and Southeast Asia, as well as Turkey, had successfully restored their financial footing, whereas the Latin American countries had not. They concluded that "The most profound revelation of the debt crisis, however, was that Latin America faces much deeper economic problems... Substantial capital flight had already reflected a loss of confidence in some countries of the region. The large external borrowings of the 1970s were not used effectively in many countries, thus failing to create the needed debt-servicing capacity. Unemployment and underemployment were already high in some countries. Rapid inflation emerged periodically. Income maldistribution was widespread. The crisis exposed and intensified these difficulties, but many of them were already present - and, in some quarters, recognized." (Balassa et al. 1986, 19).

The study recommended a macroeconomic transformation of Latin American economies. They diagnosed the ills of the Latin American economies as a function of "the inward orientation apparent in most countries, especially in their willingness to let currencies become overvalued and trade policies to remain protectionist (or become even more so). The lack of needed incentives to savings and efficient investment of savings, both domestic and foreign. The

excessive, even suffocating, role of the state (including state enterprises) and the concomitant weakening of the private sector (Balassa et al 1986, 19).” While they maintained the fundamental diagnosis of interdependence, that the industrializing countries had to spend more, and the development banks had to keep lending, they advocated for a transformation of the Latin American political economies, from an ‘inward’ to an ‘outward’ orientation, focused on export-led growth the manage their debt, reducing the public sector in favor of the private, and removing protectionist barriers to trade.

The involvement of Latin American economists in the study is a key aspect of the articulation of deeper reforms. Up until that point, the IIE had analyzed the situation from the outside, through the eyes of American economists with influence over the levers of power in the United States and the International Banks. However, in line with their vision of managing interdependence, they sought out Latin American economists to better align economic governance across the hemisphere. This provided the IIE with the purchase to make the critical leap from advocating external reforms, to pressing the governments to alter their macroeconomic strategies. That the proposed reforms centered around market adjustment can be partially understood as a function of many Latin American economists adopting many of the free-market ideas becoming popular in American economics (Babb 2001, Fourcade-Gourinchas & Babb 2002, Fourcade 2006). But it is also the logical extension of interdependence. Where in previous years the FPEs recognized the tension between national sovereignty and interdependence but stopped short on trampling on the former, they were beginning to relinquish their caution. Bergsten endorsed the more muscular recommendation of Balassa et al. in 1986.

The recommendation of Balassa et al and Bergsten coincided with years of lending on the part of International Banks to Latin American countries, conditional on their adopting of the

proposed reforms (Babb 2013). In 1990, Williamson edited a book, published by the IIE, which presented the product of papers written for a conference in the IIE in November of 1989, focused on reflecting on the changes in Latin America. In an introductory chapter, Williamson identified “10 policy instruments about whose proper deployment Washington can muster a reasonable degree of consensus (Williamson 1990, 8),” ranging from fiscal retrenchment, trade liberalization, and reducing the size of the public sector. The chapter focuses on the consensus in economic philosophy. He writes: “Washington believes in fiscal discipline... Left-wing believers in “Keynesian” stimulation via large budget deficits are almost an extinct species (Williamson 1990, 9).” The publication of this book, in which the famous phrase the ‘Washington Consensus’ was coined, is often cited as the high watermark of neoliberal globalization (Babb 2013, Babb & Kentikelenis 2021). Following the publication of the book, similar liberalizing reforms were implemented in Eastern Europe, and countries in East and South Asia were voluntarily liberalizing (Rodrik 2011, 170). However, Williamson, as a representative of the IIE, was not articulating his personal views, but rather attempting to capture a consensus in Washington. As he wrote two years later, he endorsed the reforms in the Consensus, but had he written it himself, it would have been more focused on equity (Williamson 1993). In the chapter, he also noted the distance between his own position which was regarded as ‘Keynesian’ and that of ‘Washington’ as he defined it, writing: “Differences of view exist, however, as to whether fiscal discipline need necessarily imply a balanced budget... Another modification, which I find persuasive enough although much of Washington regards it as too “Keynesian” to endorse explicitly, argues that a balanced budget... should be a minimal medium-run norm, but that short -run deficits and surpluses around that norm should be welcomed insofar as they contribute to macroeconomic stabilization (Williamson 1990, 9).” This is unsurprising, given that in 1982 he noted a similar

rejection of Keynesiansim that in his mind was counterproductive. He wrote: “following a period in which Keynesian stabilisation policies have been, quite deliberately abandoned and the world has gone into the deepest recession in half a century. If the world is ever to get back to anything approaching the prosperity of the 1960s it will surely have to revive demand management (Williamson 1982, 100).”

Where the Washington Consensus is associated with a turn towards markets to manage the global economy, I suggest that the market-content of the proposed reforms were less consequential to understanding the historical moment of globalization than the multilateralism it represented. Markets were a tool to achieving political stability, where an international political architecture to contain markets could not be erected. More consequential was the evolution of positions on national economic autonomy. Where up until the first half of the decade, proposed reforms remained external and focused on lending, by the conclusion of the decade macroeconomic policies were imposed on governments in the name of managing interdependence.

IV.IV Contemporary Implications

There is no doubt that markets had a moment in the sun in the early 1990s. Not all the FPEs were content with this outcome. In 1993, Brzezinski penned a critique of the emerging market order. Disparaging the emerging culture in the West as a ‘permissive cornucopia,’ promoting consumerism without limits, he called for a return to the trilateral approach, to foster a “global community” (Brzezinski 1993, 222). Though the 1990s are understood as the peak of globalization, Brzezinski understood the moment as a rejection of his vision of a global

community, precisely because of the rejection of interdependence evidenced by the market order. “There is the need for a wider, globally shared understanding of the purpose of political existence - that is, the condition of human interdependence. A major step toward such understanding implies some effort at defining the proper limits - ultimately, *moral in character* - of internal and external aspirations. This will require a conscious effort to strike a balance between social need and personal gratification, global poverty and national wealth, irresponsible alteration of the physical environment as well as even of the human being and the effort to preserve both nature's patrimony and the authenticity of human identity (Brzezinski 1993, xv).” This vision, largely unchanged since he wrote *Between Two Ages* in 1970, was nonetheless infeasible in an international political context which came to rely on markets. Though Bergsten’s view coincided with Brzezinski insofar as he agreed that the American budget deficit had to come down, economists such as himself, Williamson and Cooper had devised a way to manage interdependence through markets and interventions in national governance when necessary. The project of erecting a new political architecture to manage interdependence politically, in the vein of the Bretton Woods system, was dead in the water.

Moreover, the pushback to the ubiquity of markets came fairly swiftly. In 1997, economist Dani Rodrik published *Has Globalization Gone Too Far?* through the IIE, despite objections from IIE donors (Interview with Cline). He noted that globalization was “exposing a deep fault line between groups who have the skills and mobility to flourish in global markets and those who either don’t have these advantages or perceive the expansion of unregulated markets as inimical to social stability and deeply held norms... This book argues that the most serious challenge for the world economy in the years ahead lies in making globalization compatible with domestic social and political stability - or to put it even more directly, in ensuring that

international economic integration does not contribute to domestic social *disintegration* (Rodrik 1997, 2).” In the subsequent years, the Asian Financial Crisis accelerated skepticism of globalization, as the East Asian ‘Tigers’ that had abided by the liberalizing norms of the market turn had suffered economic decline. In response, governments around the world began to hold large amounts of foreign exchange reserves as a method of ensuring liquidity in a volatile financial environment, despite the market norm against exchange rate intervention (Prasad 2014, 88). By the turn of the century, the Washington Consensus for market preference had fractured (Babb 2009, 149).

Within the United States, skepticism of globalization began to grow as well. Protestors famously disrupted the WTO meetings in Seattle in 1999 (Bello 2002, xv). Three years later, the Bush administration placed tariffs on imported steel in a response to the declining steel industry in the United States (Bello 2002, 111). The Trans-Pacific Partnership, which was drafted in part by Presidential Candidate Hilary Clinton when she was Secretary of State under President Obama, was rejected by both her and by then Candidate Trump as a result of political suspicion of free trade (Rodrik 2018, 13). President Trump’s opposition to globalization is well known, launching a trade war against China, which has not been fully reversed under President Biden (Posen 2023). The brevity of the market moment in the United States is captured by current President of the IIE (now the Peterson Institute for International Economics, or PIIE) Adam Posen, who argues that “It is true that most economies globalized significantly during the 1990s...The United States has bucked this trend, however. Our trade-to-GDP ratio rose much more slowly than that of other countries—growing from 20 percent in 1990 to 30 percent in 2008—all the while staying well below the global average...Of course, as a country that has a large, advanced, and diverse economy and is separated by oceans from much of the rest of the

world, it is only natural that the United States has a lower trade share than the average economy. There is no fundamental reason, however, for it not to be opening up at roughly the same rate as the rest of the world—especially considering that the entry of China, India, eastern Europe, and parts of Latin America into global markets ran its course long ago (Posen 2021).”

This skepticism recently culminated in a speech given by President Biden’s National Security Adviser Jake Sullivan, who declared a “new Washington Consensus,” in which he notes that: “The vision of public investment that had energized the American project in the postwar years—and indeed for much of our history—had faded. It had given way to a set of ideas that championed tax cutting and deregulation, privatization over public action, and trade liberalization as an end in itself (Sullivan 2023).” In the speech, he emphasized the heightened geopolitical insecurity of the moment, and noted that “Much of the international economic policy of the last few decades had relied upon the premise that economic integration would make nations more responsible and open, and that the global order would be more peaceful and cooperative—that bringing countries into the rules-based order would incentivize them to adhere to its rules. It didn’t turn out that way...America didn’t just lose manufacturing—we eroded our competitiveness in critical technologies that would define the future. Economic integration didn’t stop China from expanding its military ambitions in the region, or stop Russia from invading its democratic neighbors. Neither country had become more responsible or cooperative. And ignoring economic dependencies that had built up over the decades of liberalization had become really perilous—from energy uncertainty in Europe to supply-chain vulnerabilities in medical equipment, semiconductors, and critical minerals. These were the kinds of dependencies that could be exploited for economic or geopolitical leverage.”

Evident in this quote is both the skepticism of markets, and the enduring problem of managing interdependence, made more complicated by the fact of dependency with a geopolitical adversary. Where Sullivan is gesturing towards reducing dependencies, Posen (2023) argued that the United States should continue to open up to China, as competition between the United States and China would ultimately make it harder for the Chinese Communist Party to maintain its grip on Chinese society. Similarly, in his book summarizing the state of relations with China, Bergsten (2022) argued that the United States should continue to open up to China, and to stop rhetorically stating that the United States is committed to halting its economic development. The return of Great Power conflict has revived the old tension between the paradigm of interdependence on the one hand, and the Cold War on the other; a bipolar vision of geopolitics from which all else stems, or a complex set of relations to manage, of which US-China relations are just one part. And, as Posen notes, the bipartisan thrust of American foreign policy is leaning towards the former.

Conclusion

Chapters two through four of this dissertation have covered roughly five decades of history of American foreign policy, tracing the linguistic construction of globalization within the context of its diplomatic culture. In these final few paragraphs, I will tie this narrative history back into the relational theory of globalization, and tease out some of the implications.

Substituting a substantive for a relational theory of globalization entails eschewing the conceptualization of globalization as an external social force, constraining the action of people and states. It is internal to social contexts. As chapters two through four have shown, the contemporary iteration of the concept has its roots in the struggle over expertise in American foreign policy, and the education of the generation of practitioners who professionalized in the 1960s and 1970s. Globalization, in its preceding iterations of integration and interdependence, was an orienting paradigm for American foreign policy, put forth by FPEs in their attempts to wield influence over American foreign policy. It is inextricable from the context of the Cold War; the dominant paradigm in American foreign policy in the decades following the Second World War. Its defining feature was that it was not the Cold War; that it entailed an approach to international affairs that eschewed Great Power rivalry in favor of managing a complex world.

Following the collapse of the Soviet Union, Fukuyama's (misunderstood) thesis that international conflict was confined to the past reflected the shift away from Great Power rivalry and towards managing globalization. Though the FPEs did not manage to wholly orient American foreign policy to their views, the Great Power framing that had dominated during the Cold War had waned, and the FPEs and people like them held sway over American foreign policy. However, the return of Great Power rivalry between the United States and China has jeopardized their positions of influence. The Biden administration's National Security Adviser

Jake Sullivan's declaring a "New Washington Consensus" in April of 2023, which both distanced the administration from the 1990 consensus, and articulated a renewed competition with China, suggests that Great Power rivalry has returned. Much to the chagrin of Bergsten and Adam Posen, the current director of the PIIE, who have both sought to orient American foreign policy back towards engaging with China (Bergsten 2022; Posen 2023).

Understanding globalization from a relational perspective turns one's attention to its historical tension with Great Power framing in American foreign policy. The immediate aftermath of the Second World War started a five-decade long span of bipolar framing of American foreign policy. With the dawn of the Unipolar Moment, this was substituted with the opposite pole: globalization, which was a salient frame for three decades, now again under threat from a new bipolar framing. One could object that such characterization of American foreign policy as a contest between two opposing frames is essentialist, but this is not an overarching theory of foreign policy generally, merely a theory of postwar American foreign policy specifically, a relational interpretation of history; an observation that there is repetition. This is not to say that there is any predictive power in this theory; one cannot predict an inevitable return to globalization as the dominant frame. One can only trace the trajectory of American foreign policy expertise into the near future, and observe whether its adherents are able to maintain or grow their influence.

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