**Neoliberalism**

1. **Introduction**
2. **Neoliberals’ Approach and Realism**
3. **Neoliberals views about barriers to cooperation**
4. **Neoliberals and the challenges to institutions**
5. **Kinds of Neoliberals**
6. Sociological Liberalism
7. Interdependence Liberalism
8. Institutional Liberalism
9. Republican Liberalism

**Neoliberalism in International Relations**

**Definition:**

“A theoretical perspective that emphasizes role of international institutions to bring peace, prosperity and cooperation among states and accepts some hard realities pertaining to states’ power”.

**Introduction:**

* Neoliberalism concerns itself with the study of how to achieve co-operation among states and other actors.
* Neoliberals accept that co-operation may be difficult to achieve but argue that it has been facilitated by growth of international institutions and international regimes.
* A general characteristic of neoliberalism is the desire to intensify and expand the market, by increasing the number, frequency, repeatability, and formalisation of transactions.
* Nation-states are, or at least should be, concerned with absolute gains rather than ‘relative gains’ to other nation-states.
* Neoliberalism holds that interactions between countries can be win-win situations.
* They believe in the idea that the world can be set up in such a way that cooperation will be rewarded and countries can stop emphasizing competition.
* Since the 1990's, activists use the word 'neoliberalism' for global market-liberalism ('capitalism') and for free-trade policies.

**Neoliberal Approach and Realism:**

Neoliberal approach differs from earlier liberal approaches in that it accepts two important assumptions of realism:

* 1. States are unitary actors rationally pursuing their self-interests, but they say states cooperate because it is in their self-interest.
  2. Mutual gains better (more rational) than cheating or taking advantage of each other.
* Neoliberalism adopts a state-centric perspective, which, like structural realism, considers states to be unitary, rational, utility-maximising actors.
* Neoliberalism is heavily indebted to the study of rationality and utility-maximization in economics.
* They recognize the difficulties involved in overcoming anarchic environment in international politics.
* Key neoliberal texts, such as Keohane and Nye’s Power and Interdependence, sought to challenge realist pessimism, but adopted the realists’ assumption of self-interested egocentric actors.
* It should not be forgotten, however, that there are differences between realist and neoliberal approaches, for example, on their understanding of the meaning of anarchy.

**Neoliberals’ view about barriers to co-operation:**

* Neoliberals recognize that there are barriers to co-operation, such as free-riding.
* Game theory, the game of Prisoner’s Dilemma for example, are used to clarify the rational decision-making processes involved in co-operation.

**Challenges to the design of institutions:**

There are three major challenges to the design of institutions that neoliberals recognize:

1) bargaining (how it is facilitated)

2) defection (how it is mitigated), and

3) autonomy (do institutions have autonomy from states).

**Kinds of Neoliberalism**

**Sociological Liberalism:**

* Sociological liberals see international relations in terms of relationships between people, groups and organisations in different countries.
* Many sociological liberals believe that increased transnational relations could help create new forms of human society.

**Interdependence Liberalism**:

* In 1970s, Robert Keohane presented this theory.
* It focused intense interconnectedness of mutual relations between Western countries and Japan.
* Along with the improvement in trade, economic goals, relation between the people of these societies also grew positively that, resultantly increased the interdependence over each other.
* Interdependence Liberalism argues that increased interdependence between countries reduces the chance of them engaging in conflict.
* Interdependence liberals see modernisation as increasing the levels and scope of interdependence between states leading to greater cooperation. Such thinkers also see welfare as the primary concern of states, and the military force becoming less useful.

**Institutional Liberalism:**

* Liberal institutionalism argues that emphasis should be placed on global governance and international organizations as a way of explaining international relations.
* Institutionalism places emphasis on the role that common goals play in the international system and the ability of international organizations to get states to cooperate.
* Institutional Liberalism is considered as the main analytical competitor to realism in International theory.

**Republican Liberalism:**

* Republicanliberal theories stress the role of domestic representative institutions, elites and leadership dynamics, and executive-legislative relations.
* Such theories were first conceived by visionary liberals such as Immanuel Kant, Adam Smith, John Stuart Mill, John Hobson, Woodrow Wilson, and John Maynard Keynes.