The third debate: 

Neorealism versus Neoliberalism and their views on cooperation

The issue of international cooperation, especially through institutions, remains heavily debated within the International Relations (IR) discipline. Neoliberalism has lost ground since the 2003 Iraq War, while the Realist and Neorealist paradigms have taken a more prominent place again. This essay discusses the ‘third debate’ within the IR discipline, between Neorealism and Neoliberalism and highlights the main difference between the two disciplines, their views on cooperation. In this essay, I refer to the strand of Neoliberalism known as Liberal Institutionalism or Neoliberal Institutionalism. This essay argues that the claim by Neoliberalism that institutions promote peace and deter states from warfare is too optimistic and needs to incorporate more realist notions into its assessment of the role of institutions in international politics. This paper starts off with a summary of both the Neorealist and Neoliberalist narrative, including their agreements as well as disagreements. The paper continues by discussing their main point of disagreement, their views on cooperation. I will then briefly touch upon the main criticisms and shortcomings of both disciplines. Lastly, this essay concludes by a brief summary.

Neorealism

Kenneth Waltz systemized Realism by incorporating the scientific method. Neorealism defines international politics as a system, in which structural and unit levels are both distinct and connected. In this way Neorealism makes it possible to make a theory about international politics (Waltz, 1990: 29). By distinguishing the structure and the unit level, Neorealism can explain causal relations in international politics scientifically. According to Neorealism, causal relations between the structure and unit level run in two directions (Waltz, 1990: 34). Similar to Realism, Neorealism defines the international political structure to be anarchic. (Walt, 1998: 31). States therefore operate in a so-called self-help system. Despite the anarchic structure Neorealism does believe that cooperation is possible,
however cooperation is difficult to sustain in the long run (Jervis: 1999). Another important aspect of Neorealism is the distribution of capabilities. As Waltz explains, the principle differences among states are defined by the differences in their capabilities. However states are made functionally similar by the constraints of structure (Waltz, 1990: 36). Thus, all states experience the same constraints the anarchic system produces (Baylis, Smith & Owens, 2011: 118). The last important revision of Realism has been the claim by Neorealists that the ultimate goal of states is not power, as Realism holds, but security (Waltz, 1990: 36). Waltz’ theory of Neorealism, also known as Structural Realism is just one version of Neorealism. By integrating the ideas of Waltz and traditional Realists such as Morgenthau, Gilpin etc., scholars such as Joseph Grieco developed the so-called Contemporary version of Neorealism that focuses on the concepts of absolute and relative gains. “The fundamental goal of states in any relationship is to prevent others from achieving advances in their relative capabilities” (Grieco, 1988: 498). A third version of Neorealism is incorporated in security studies and distinguishes between offensive and defensive Realism (Baylis, Smith & Owens, 2011: 117).

Neoliberalism

Neoliberalism is a narrative that originated as a criticism to Neorealism. This section therefore discusses not only Neoliberalist claims but also the criticisms both narratives have expressed about one another. Neoliberalism’s main criticisms of Neorealism are focused on the role and behavior of actors and non-state actors in international politics. As Keohane and Nye explain, most political scientists, Realists and Neorealists in particular, have a state-centric view in world affairs. “States are by no means the only actors in the world.”(Nye & Keohane, 1971: 330). Furthermore, they criticize Neorealism for not considering interactions among actors. They define world politics as: “all political interactions between significant actors in a world system in which a significant actor any somewhat autonomous individual or organization that controls substantial resources and participates in political relationships with other actors across state lines.” (Nye & Keohane, 1971: 344-345). David Baldwin
describes six main points of differences between Neorealism and Neoliberalism. For Neorealists, anarchy places more severe constraints on state behavior than for Neoliberalists (Baldwin, 1993: 4). Neoliberalists argue that anarchy allows for various structures of interaction between states (Axelrod & Keohane: 1985: 226). Neoliberalists do agree with Neorealists that states are rational egoists that seek to advance self-interests (Keohane & Martin: 1995: 39). Secondly, Neoliberalist have a more positive outlook on cooperation than Neorealists. Neoliberalist agree that cooperation is difficult to achieve but stress the important role of institutions in both achieving and maintain cooperation (Jervis, 1999: 53/Axelrod & Keohane, 1985: 226). I will discuss the issue of cooperation in more detail in the following section. Thirdly, as Neoliberalists claim that actors often have common interests they emphasize absolute gains. Neoliberals believe that states are able to cooperate, thereby mitigating the effects of anarchy, which in effect will lead to common gains. Neorealists criticize Neoliberalists for overlooking absolute gains, however some Neoliberalist scholars, such as Keohane, have agreed that Neoliberalists have undervalued the importance of relative gains under certain conditions (Jervis, 1999: 45/Baldwin, 1993: 5-6). Fourth, Neoliberals focus more on the international political economy and environment in their studies, whereas Neorealists focus on studying international security (Jervis, 1999: 45-46/Mearsheimer, 1994-1995: 15). However, various Neoliberalist scholars claim that Neoliberalism explains cooperation issues in both military security and international political economy (Axelrod & Keohane, 1985: 227/Keohane & Martin, 1995: 43). In Neorealism, emphasis is put more on capabilities as opposed to intentions. Neoliberalists claim that, intentions, information and interests of states have greater influence, as Axelrod and Keohane’s 1971 article Achieving Cooperation under Anarchy: Strategies and Institutions elaborates (Axelrod & Keohane, 1985). Lastly, as the name gives away, Neoliberalists as in Neoliberal Institutionalists emphasize the important role institutions have in shaping international politics (Axelrod & Keohane, 1985: 228). Neorealist feel that Neoliberalists put too much emphasis on the ability of institutions for diminishing the constraining effect of the anarchic system on international cooperation (Baldwin, 1993: 8). Furthermore, Neorealism and Neoliberalism
hold different views on why institutions are created and how they exercise their effects (Keohane & Martin, 1995: 48). Lastly, Neoliberalists hold that states and institutions mutually affect and influence each other, while Neorealists feel that institutions only have a minimal influence on states, the structure shapes states, and their behavior and its mainly the most powerful states that create and shape institutions (Mearsheimer, 1994-1995: 7-13).

The issue of cooperation

Neorealism and Neoliberalism differ most in their views regarding the issue of cooperation, in particular about what causes cooperation (Milner, 1992: 468). Both agree that cooperation is possible to realize, they differ in their view on the durability of cooperation. “Neoliberalism believes that there is much more unrealized or potential cooperation than Realism, and the schools of thought disagree about how much conflict in world politics is unnecessary or unavoidable in the sense of actors failing to agree even though their preferences overlap.” (Jervis, 1999: 47). Their different ideas on the role of institutions and the different views on the weight of absolute and relative gains are at the core of their differences over what causes cooperation. Both narratives agree that cheating is a key problem to establishing cooperation. However Neorealists see much more barriers to cooperation as cooperation takes place in a competitive world or as Neorealist call it a ‘self-help’ system, in which states have strong incentives to take advantage of others (Mearsheimer, 1994-1995: 13). Neoliberalists have a more optimistic outlook, emphasizing the important role of institutions in achieving and preserving cooperation. “Institutions can provide information, reduce transaction costs, make commitments more credible, establish focal points for coordination and in general facilitate the operation of reciprocity.” (Keohane & Martin, 1995: 42).
Neorealism and Neoliberalism: critiques & shortcomings

Both Realism and Neorealism are too much focused on security studies and do not take into consideration the important role of non-state actors in international politics. Furthermore, Neoliberalists point out that Neorealism ignores international economic processes (Nye, 1988: 241). Both Realists and Neorealists also say little about how interests are defined and reformulated. As Joseph Nye correctly notes “Realist theory is better at explaining interactions than interests.” (Nye, 1988: 239) Similar to Neorealism, Neoliberalism is both rationalistic and utilitarian (Keohane & Martin, 1995: 39). Neoliberalism has contributed to the theory about international politics by explaining the importance on non-state actors in the international system, the possibilities for achieving cooperation and developing common interests. Nevertheless, while Neoliberalism claims that institutions are important actors that promote peace and deter states from warfare, contemporary world politics show that this view is too optimistic. Furthermore, Neoliberalism puts too little emphasis on explaining conflict. It does not address the conflictual aspects of a state’s interests, the issue of nationalism and underestimates security concerns states have. In short, Neorealism focuses more on the structural level by focusing on the distribution of capability among units, while Neoliberalists focus more on the process level of systematic theory by assessing the ways in which units relate to each other (Nye, 1988: 249-251). Cleary, while both narratives depart from several similar departures, their different points of focus simultaneously reflect their shortcomings. However, their respective shortcomings offer opportunities for further research that will lead to the further complementing of both narratives.

Conclusions

While Neoliberalism has developed an important alternative to Realism and Neorealism, contemporary world politics reflect the shortcomings of its assumptions, in particular regarding the role of institutions. Neoliberalism should therefore be seen more as a valuable contribution to the existing theories of
world politics than a theory replacing Realism and Neorealism. As contemporary international politics have become more realistic again in terms of cooperation and security matters since 2003, Realism and Neorealism have come back to the forefront again, while Neoliberalism has lost ground. Although Neoliberalism is in some respects regarded as too utopian, both narratives are rational and utilitarian and complement in each other in multiple ways. Through voicing their critiques to one another both narratives are pressured to continue to work on the theoretical questions that are still left unanswered by their respective paradigms. Thereby improving the overall theory about international politics and increasing our understanding of how to deal practically with issues regarding security and cooperation in an anarchic system.
Literature


