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The Anti-Globalist Backlash

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Once sturdy and strong, the liberal order's political foundations in the West are now riven by anti-globalist and populist insurgencies.¹ Since the end of the Cold War, Western voters' support for political parties favoring trade liberalization and multilateral cooperation has fallen by nearly half, much of this coming *before* the 2008 global financial crisis. The pace and extent of this decline in public support for these policies have varied across the West, and by party families within countries. Yet in one Western democracy after another, voters have turned increasingly to anti-globalist parties and candidates on the far left and, especially, on the far right. Early hopes that Western democracies' united response to Putin's invasion of Ukraine would break the anti-globalist fever have been frustrated. In the past few years, anti-globalists have made inroads across the West, including most notably France, Germany, Italy, Japan, Sweden, and with Donald Trump's triumphal return to the White House, the United States.

Many factors contributed to anti-globalism's rise, but as we argue in *Geopolitics & Democracy: The Western Liberal Order from Foundation to Fracture* (Oxford University Press 2023), two drivers were decisive: the end of the Cold War and the breakdown of the postwar compromise between free-market capitalism and social democracy. During the Cold War, geopolitical imperatives had a disciplining effect on party politics in Western democracies, at once strengthening mainstream parties' commitment to the welfare state and marginalizing parties and factions on the far left and far right. With the collapse of the Soviet Union, political space in Western democracies opened up, making it easier for those pushing anti-globalist agendas to gain political traction. Western leaders inadvertently lent those parties a helping hand by liberalizing markets while slowing the growth of, and in some cases actively rolling back, social protections for their citizens. As the costs in economic security and national autonomy became clear, Western voters grew increasingly receptive to anti-globalist parties' platforms.

¹ We focus on anti-globalism in Western democracies, but some of the same dynamics are at work in non-Western countries. On this point, see Pranab Bardhan, *A World of Insecurity: Democratic Disenchantment in Rich and Poor Countries* (Cambridge: Harvard University Press, 2022).

All of this has proven costly for the West, domestically and internationally. Domestically, the fragmentation of Western democracies makes it harder for Western governments to marshal the power and authority needed to deliver on issues their citizens care most about at home. This fuels voter dissatisfaction which, in turn, leads to greater fragmentation, paralysis, and dysfunction. Internationally, domestic fragmentation has weakened the ties binding Western democracies. Solidarity on matters of trade, security, and human rights has declined as populist leaders have gained political traction. To be sure there are exceptions. Italy's Giorgia Meloni comes to mind. But there is no denying that Western solidarity is fraying or that things have accelerated since Donald Trump returned to office in January 2025.

What is to be done? Are there ways for Western leaders to harness and redirect today's anti-globalist passions toward internationalist ends? Can the West return to the postwar compromises and bargains that guided liberal international order-building in the decades that followed? Answers to these questions reveal just how much more room for domestic political maneuver Western leaders had back then. We have moved from an era when Western leaders advocating liberal internationalism enjoyed what Robert Dahl, writing in the 1960s, described as a "surplus of consensus" to an age of discord.² This has implications for our thinking about the political possibilities for revitalizing the liberal order and importantly, where to place our collective bets.

Then and Now

For nearly half a century after World War II, Western governments struck a balance between international openness and social protection.³ In the standard telling of this story, postwar Western leaders, having witnessed how unbridled market capitalism fueled ideological extremism and anti-globalism in the interwar years, recognized that the best way to avoid a repetition of the downward spiral that led to depression and war, was to allow governments a substantial degree of national autonomy and social protection in the domestic realm. This would cushion the market's most disruptive effects while allowing industrialists, farmers, and workers to reap the rewards of potential export markets and cheaper imports. By taking the hard edge off capitalism, the postwar welfare state could strengthen support for liberal internationalism more broadly, among Western publics, and make competing anti-globalist strategies (e.g., nationalism, isolationism) less politically attractive.

That Western leaders saw liberal internationalism and the welfare state as mutually supportive is clear. However, their commitment to what became known as the compromise of "embedded liberalism" did not spring solely from the hard-learned lessons of the interwar years. As research on the relationship between the Cold War and the welfare state makes clear, it was also reinforced by Cold War imperatives.⁴ It shows that the East-West rivalry was an important factor stimulating the steady expansion of the welfare state (and not just on the Western side of the Iron Curtain). Whatever its merits as a social policy paradigm, Western leaders came to see full employment, social protection, collective bargaining, and ultimately civil rights in the United States as necessary concessions to a widening stratum of working-class voters to

² Robert Dahl, "Reflections on Opposition in Western Democracies." *Government and Opposition* 1, no. 1 (1965): 7–24.

³ By social protection I mean the full panoply of domestic policies and programs designed to help protect people from economic risk and volatility, reduce inequality and poverty, and create job opportunity, at least for labor market insiders.

⁴ See Herbert Obinger and Carina Schmitt, "Guns and Butter? Regime Competition and the Welfare State during the Cold War," *World Politics* 63, no. 2 (2011): 246–270; and Klaus Petersen, "The Early Cold War and the Western Welfare State," *Journal of International and Comparative Social Policy* 29, no. 3 (2013): 226–240.

counter Soviet claims that communism was a “worker’s paradise.” This also enhanced the legitimacy of liberal internationalism in the East-West struggle for ideological dominance. As Eric Hobsbawm observed, “Whatever Stalin did to the Russians, he was good for the common people in the West.”⁵

Cold War constraints gave Western leaders and voters strong reason to support embedded liberalism. So did the practical realities of domestic coalition-building in what Peter Mair calls the “age of party democracy.”⁶ For most of the second half of the twentieth century, political parties had to build cross-class coalitions to win and hold onto power. This led center-left and center-right parties to reject extreme policy positions in favor of moderate ones. This was clearest in the area of domestic policy, where parties on the center-left dropped their insistence on nationalization of the economy and parties on the center-right accepted active government management of the economy in place of *laissez-faire*. In foreign policy, this meant striking a balance between international openness and social protection, and between institutionalized cooperation and national sovereignty. International openness and multilateral institutions were needed to promote and sustain growth; national autonomy and social protection were needed to ensure working-class voters’ support.

It was not until the 1970s and 1980s that this delicate balance began to break down. This is when Western leaders, led by Ronald Reagan and Margaret Thatcher, began “liberalizing” the liberal order. The balance between international openness and social protection shifted decisively in favor of markets in the 1990s. The Soviet collapse weakened a key rationale for social protection: the need to offer working-class voters an alternative to state socialism and unrestrained capitalism. Parties on the center-left began softening their commitment to social protection, seeing markets as a way to make themselves more attractive to the most globalized (pro-globalization) sectors of industry and finance and younger, educated, middle-class voters who benefited from globalization. Bill Clinton’s New Democratic agenda, Tony Blair’s “New Labour,” Lionel Jospin’s *réalisme de gauche* (left realism), and Gerhard Schröders “Agenda 2010” were cut from the same neoliberal cloth, and under the influence of globalization, driven by the same political imperative to make the center-left more market-friendly and competitive electorally.⁷

Western leaders’ efforts to globalize the liberal order after the Cold War succeeded in expanding international markets and the web of international institutions. But it also spurred political fragmentation within Western democracies. Political ideologies and alignments frozen by the bipolar Cold War conflict thawed. Foreign policy strategies sidelined and shunned by Western leaders during the long East-West struggle gained a new lease on political life. As popular fears of communist expansion and nuclear Armageddon receded, the political space opened up. Western voters were now more willing to take a chance on parties whose platforms were once considered beyond the pale. At a time when Western governments were retrenching politically, working-class voters and members of the new precariat found a widening array of reasons to buck mainstream parties.

⁵ Eric J. Hobsbawm, “Goodbye to All That,” *Marxism Today*, October (1990): 18-23.

⁶ Peter Mair, *Ruling the Void: The Hollowing of Western Democracy* (London: Verso, 2013).

⁷ In effect, Western leaders on the center-left began abandoning a large part of their traditional working-class political base to win over younger, educated, middle-class voters. By one estimate, in 1980 center-left parties mobilized roughly twice as many working-class voters as middle-class voters. By 2010, the proportions were roughly the reverse. See Silja Häusermann, *Politics of Welfare State Reform in Continental Europe: Modernization in Hard Times* (New York: Cambridge University Press, 2010).

In response, parties on the far left and far right began to reinvent and reposition themselves in the 1990s. On the left, Green and some socialist parties combined traditional calls for trade protection with transnational issues such as social justice, climate change, and nuclear proliferation, relaxing their blanket opposition to multilateral cooperation. On the right, parties like Austria's *Freedom Party* and France's *Front National* jettisoned long-standing commitments to laissez-faire capitalism in favor of anti-globalism and social protection (for native workers), hoping to appeal to disenchanting working-class voters and the structurally unemployed.

In the ensuing years, anti-globalists became deft practitioners of wedge politics, actively using anti-globalism to mobilize voters in regions that were severely impacted by globalization and falling behind economically, and that were often critical to mainstream parties' electoral success.⁸ Leading up to the Brexit referendum, UKIP's Nigel Farage made gains with the so-called "left behind" in Northern and Eastern England's aging Rust Belt cities and towns by fusing anti-immigration with opposition to EU membership. In 2017, Marine Le Pen ran for the French presidency merging the Front National's long-standing opposition to mass immigration with a new "strategic plan for reindustrialization" aimed at regions of France's north and east hard-hit by globalization. Their efforts did not catapult them into national government, but they did succeed in putting mainstream parties on the defensive and importantly, capturing a larger share of the national vote.

As pressure mounted on their flanks, center-left and center-right parties have increasingly looked for ways to incorporate key elements of the far left and far right's agendas. On the center left, Social Democratic parties have sought to outflank the radical left by broadening their appeal to younger, more educated Green voters. On the center right, parties have become more nationalistic and nativist, and in many cases more protectionist. In the United States, Donald Trump's and Bernie Sander's 2016 election campaign used anti-globalism to discredit the Washington political establishment and appeal to disaffected white working- and middle-class voters who felt left behind by globalization. At the height of the Cold War, parties on the center-left and center-right had more in common with each other than they did with the parties and factions on the political extremes. Today, in many cases, this is no longer true. And therein lies the political challenge facing Western leaders today.

In search of security

Can Western leaders reconstitute the liberal internationalist center? Is it possible for Western governments to renew their commitment to the liberal order without fueling further division within their societies? Discussion around these questions is well underway in Western policy and academic circles. One option is to use Great Power confrontation with China (and Russia) to rekindle Western solidarity and revive domestic support for liberal internationalism. A second approach is for Western governments to embrace a large collective "moonshot" project that draws diverse interests around a vision that can revitalize liberal internationalism and strengthen Western unity. A third strategy is to approach the challenge posed by anti-globalism from the bottom up—at the regional and local levels in Western democracies rather than at the national and international levels. We consider each of these in turn.

⁸ Voting studies showed that these naked appeals to working-class voters worried about job security and "the loss of national control" paid off at the polls. See, for example, Duane Swank and Hans-Georg Betz, "Globalization, the Welfare State and Right-Wing Populism in Western Europe." *Socio-Economic Review* 1, no. 2 (2003): 215–45; and Enrique Hernández, and Hanspeter Kriesi, "The Electoral Consequences of the Financial and Economic Crisis in Europe," *European Journal of Political Research* 55, no. 2 (2016): 203–24.

At a time when great power rivalry has returned, it is not surprising that many in the West see the Cold War as a template for reviving liberal internationalism. This is especially true in the United States, where commentators and analysts see the China challenge as a means to keep anti-globalist pressures in check and boost Western solidarity, just as fears of the Soviet Union did.⁹ Can a strategy that makes China enemy No. 1 also foster greater unity in the West? Yes, up to a point. But the Cold War analogy must be handled with care. Western solidarity during the East-West struggle stemmed from more than fears of Soviet communist expansion. Western democracies also found common purpose in social protection. Social protection was seen as a complement to fighting communism during the Cold War. In the absence of a renewed commitment to economic security and inclusive growth, playing the China card is unlikely to bring anti-globalists back into the liberal internationalist fold.

Playing the China card to draw Western democracies together is not a sure thing either. Some Western capitals worry more about Beijing's geopolitical ambitions than others—concerns are greater in Washington than in Berlin, and in Tokyo than in Seoul. At a time when economic growth itself has become a planetary threat, a strategy that aims to isolate China is also dysfunctional. This is not only because China is now the world's largest carbon emitter whose actions will decide a large part of the climate future. It is also because Western democracies are *internally* divided over the nature of the China challenge, and how best to respond to it. This could change, of course. Much depends on Beijing, including how firmly it allies with Russia and other autocratic powers and how aggressively it acts toward its neighbors.

If leveraging geopolitical tensions cannot be guaranteed to win over anti-globalists, perhaps a bold, mission-oriented approach to revitalize democratic capitalism can. This is the crux of the argument by those who call for transforming the relationship between the state and the private sector by reclaiming the public spirit that inspired the Apollo mission of the 1960s to put humans on the moon.¹⁰ By corraling public sector energies into specified missions, Western democracies can catalyze innovation and investment across their economies to address today's global challenges—from fixing the climate, to global health and wellbeing, to narrowing the digital divide.

A “moonshot” approach to meeting today's global challenges is attractive to many who see it as a way to reduce government overreliance on markets and repair the social contract. However, a top-down technocratic approach like the one John Kennedy set in motion in 1961 presupposes a level of governing authority and national consensus over ends and means that does not exist in today's politically fragmented democracies. Meanwhile, unless these policies target the citizens and communities that globalization and political retrenchment have left behind, it is not certain that such mission initiatives to reimagine capitalism will improve the lot of those in greatest need. In short, there are limits to how much can be realistically achieved by relying on grand designs negotiated by technocratic elites who lack sufficient legitimacy.

This is the view of a growing number of economists, political scientists, and sociologists who favor a bottom-up strategy that starts at the regional and local levels.¹¹ This approach has

⁹ See, for example, Michael Beckley, “Enemies of My Enemy: How Fear of China is Forging a New World Order.” *Foreign Affairs* 101, no. 2 (2022): 68–85; David Brooks, “How China Brings Us Together: An Existential Threat for the 21st Century,” *The New York Times*, February 14, 2019; and Michael Lind, “U.S. & China Relations: Cold War II.” *National Review*, May 10, 2018.

¹⁰ See, for example, Mariana Mazzucato, *Mission Economy: A Moonshot Guide to Changing Capitalism* (London: Allen Lane, 2020).

¹¹ See, for example, Dani Rodrik, and Charles F. Sabel, “Building a Good Jobs Economy.” In *A Political Economy*

been characterized in different ways (e.g., “experimentalist governance;” “building a good jobs economy”) and applied to various problems (e.g., fixing the climate, making globalization accountable). It also takes various forms from active labor market policies to community development initiatives, to educational (“skilling up”) interventions. What they share is a commitment to decentralized, subnational public-private collaboration at the state, provincial, and municipal levels. These collaborations are often job-focused and “placed-based” and thus differ from standard welfare models associated with embedded liberalism, which are compensatory and focus on individuals, not locations.

Job-focused, placed-based approaches have advantages over traditional compensatory social welfare models. For one thing, they are harder to politicize as redistributive giveaways to undeserving groups and “outsiders.” They are also less vulnerable to populist charges of technocratic elitism. Still, there are issues of scale and replicability. Overcoming them will require new domestic bargains and political alliances, and new arguments linking domestic and foreign policy. In this crucial respect, little has changed. Speaking before the American Association of Newspaper Editors in April 1950, Secretary of State Dean Acheson, put it this way: “There is no longer any difference between foreign questions and domestic questions. They are all part of the same question.”¹² Acheson’s insight remains as relevant for our time as it was in his.

of Justice, edited by Danielle Allen, Yochai Benkler, Leah Downey, Rebecca Henderson, and Josh Simmons, 61–95 (Chicago: University of Chicago Press, 2022); and Charles F. Sabel and David G. Victor, *Fixing the Climate: Strategies for an Uncertain World* (Princeton: Princeton University Press, 2022).

¹² Quoted in Sheehan, 2008, 156