A defining feature of the modern era is the rise and spread of liberal democracy. In the late-eighteenth century, the American and French revolutions marked the emergence of polities based on popular sovereignty and limited government. Most of the world was ruled by monarchs, autocrats, and imperial states, but over the next two centuries, liberal democracies moved from a position of weakness and vulnerability to one of global preeminence across periods of war, revolution, and economic upheaval. The spread of liberal democracy came in waves, pushed forward by the collapse of empires and movements for self-determination. The leading liberal democracies—the United Kingdom (UK) in the nineteenth century and the United States in the twentieth—established their leadership and built order in part by fostering close relations with other liberal democracies. During the 1930s and World War II, liberal democracies faced a moment of near-extinction, but by the end of the twentieth century, democratic states—old and new, Western and non-Western—stood at the center of the global system.

Along the way, these liberal states have faced a recurring strategic problem: how to deal with rising, rival, and threatening illiberal great powers. Do you engage or contain them? Do you invite them into the liberal order, hoping that they will become socialized and evolve in the direction of liberal democracy? Or do you exclude them? Do you actively confront their revisionist agendas or seek peaceful coexistence? Do you try to weaken and undermine their regimes, or do you work with them to manage mutual vulnerabilities and strategic competition? Over the last one hundred years, the United States has debated and variously pursued, for better or worse, all these grand strategies.¹

At the end of the Cold War, the American strategy was to invite the illiberal great powers—first and foremost, China—into the liberal order. What has been termed the “liberal bet” was that once China gained the benefits of trade and exchange, Beijing would understand that it was in its interest to become a “responsible stakeholder” in the existing Western-led international order.² Implicit in this logic was the expectation, or at least a hope, that China and other illiberal states would, in effect, engage in self-initiated
regime change. They would open up, pursue reforms, slowly shed their autocratic and authoritarian institutions, and move closer to the liberal model. Today, the seeming failure of this 1990s-era engagement policy toward China, manifested in Chinese Communist Party General Secretary Xi Jinping’s dangerous autocratic turn, has raised the stakes and sharpened the debate over how to cope with rising illiberal powers.

China is only the most recent case. Over the last century, the United States has faced repeated challenges from rising, rival, and hostile great powers. In the first decades of the twentieth century, it was Wilhelmine Germany. In the 1930s and 1940s, it was Imperial Japan and Nazi Germany. For several decades after 1945, it was the Soviet Union. In each case, the United States and other liberal states found themselves confronting what might be called “systemic challengers”—that is, illiberal great powers riding the crest of a global power transition and variously wielding imperial, fascist, and communist projects of world order. These struggles played out both in peacetime and wartime and both within the West and across the rest of the world. Today, China and Russia have stepped forward to contest American hegemony, liberalism, and democracy. The declaration of principles issued by General Secretary Xi and Russian President Vladimir Putin in February 2022 on the sidelines of the Beijing Olympics can be seen as an ideological shot across the bow at what Beijing and Moscow appear to see as a sinking American ship.³

In these systemic struggles, how did the United States and its liberal allies respond? What grand strategies were pursued and with what results? What is the theory of the case for liberal democracies’ various grand strategic orientations? In this paper, I provide a conceptual and historical map of the strategies that the United States and other liberal democracies have pursued over the last century in responding to rising, rival, and threatening illiberal great powers. I make four arguments.

“In the face of illiberal challengers, the United States and other liberal democracies have pursued a wide range of grand strategies from policies of regime change or roll back, on the one extreme, to strategies of peaceful coexistence, on the other.”

First, in the face of illiberal challengers, the United States and other liberal democracies have pursued a wide range of grand strategies from policies of regime change or roll back, on the one extreme, to strategies of peaceful coexistence, on the other. These strategies can be categorized in various ways. The two most prominent families of strategies are containment strategies, which are designed to counterbalance and limit the power projection and influence of the illiberal challenger, and engagement strategies, which are crafted to use trade and exchange to induce rival powers to alter their policies and polities. These approaches can also be divided into strategies of inclusion and exclusion. Inclusive strategies are meant to draw the illiberal state into the liberal-dominated system with the goal of socializing that rival into abiding by the system’s rules and institutions, or more ambitiously, into convincing that rival to liberalize its domestic regime. Liberal states have invited illiberal states into various regional and global institutions, providing these illiberal states with tools to signal restraint, commitment, and strategic reassurance. Exclusionary strategies are intended to keep illiberal states on the outside, while fostering economic and security cooperation among liberal democracies. Strategies of fostering solidarity among liberal democracies can be pursued regardless of whether these states are seeking to engage or contain threatening great powers.

Second, engagement strategies come in many
varieties, and they have been pursued with a wide range of goals and policy instruments. This was clearly the case under former president Bill Clinton during the era of engagement with China in the 1990s. There was commercial engagement, strategic engagement, political and human rights–focused engagement, and “deep engagement,” as Joseph Nye advocated in the mid-1990s. Not all or even most of these engagement strategies were pursued as a “liberal bet” that China would reform and evolve in the direction of liberal democracy. Indeed, strategic engagement, or what some officials called “comprehensive engagement,” was premised on that not happening.

The United States has almost always pursued a combination of engagement, institutional binding, and balancing/containment. Again, this was the case in American policy toward China and East Asia in the 1990s, when the United States sought to both engage and counterbalance China.

Third, over the last century, it is possible to see a pattern in Washington’s evolving choices of whether to engage or contain illiberal challengers. Generally, when the leaders of the liberal democratic world have believed that democracy was rising or spreading outward, they have tended to pursue strategies of inclusion and socialization. This was the case with former president Woodrow Wilson in 1919 and with former presidents George H.W. Bush and Clinton after the Cold War. When they have perceived the liberal democratic world to be contracting and under existential threat, however, they often have pursued strategies of exclusion and club-oriented order building. This was the case for former presidents Franklin D. Roosevelt and Harry Truman, and it is the case today for President Joe Biden and his administration.

Finally, throughout the twentieth century, the United States and its liberal allies have also repeatedly put liberal order building at the center of their responses to rising, rival, and threatening great powers.

Regardless of whether the specific strategy has been to engage or contain a given illiberal state, American officials have emphasized the importance of building and strengthening the coalition of liberal democracies. Whether in 1919, 1939, 1945, 1989, or today, the leading liberal democracies have premised their survival and wellbeing on building and maintaining a “critical mass” of like-minded partners and allies. In a world of despotic, hostile, and powerful rivals, liberal democracies understand that they are safer working as a group than alone. Of course, liberal states have always been willing to ally with nondemocracies within larger balancing coalitions. During the Cold War, the United States allied itself with authoritarian client states in all regions of the world. Nonetheless, in each era, the core impulse has been to seek safety within a community of democracies.

Grand Strategy and Positional Great Power Competition

What are the grand strategies that the United States and other liberal states have pursued in the face of rising, rival, and threatening illiberal great powers? The general problems and solutions that liberal states face are quite straightforward. The theory of realism is well-suited for mapping their choices and circumstances. In an anarchic world, rising great powers pose security challenges to status quo powers. Under conditions of anarchy, limits exist on the possibilities of cooperation. No political authority exists above the state to enforce order or govern relations, so states are left to their own devices to survive and protect their interests. It is a realist setting, defined by anarchy, competition, and insecurity. The world is full of threats and opportunities. In these circumstances, great powers find themselves in ongoing and never-ending efforts to safeguard their security. As Kenneth Waltz argued in his classic statement of realism, states find themselves in a “self-help” world. When the balance
of power shifts against a state, it is forced to respond. As Waltz argued, states endeavor to find ways to “muster” power, that is, they seek to generate power so as to counterbalance adverse shifts in power. States can do this by mobilizing material capabilities within their country and by forming coalitions with other threatened states. In a realist world, power is checked by power, and the problem of insecurity is solved by becoming stronger.

While insecurity might be a defining feature of international relations, states have a wide range of tools and strategies with which to address this situation. States can pursue a variety of grand strategies to protect and advance their position and interests. Grand strategies are, as Barry Posen has put it, a “a nation-state’s theory about how to produce security for itself.” In a competitive and insecure environment, states have incentives to understand and, where possible, shape this environment. Grand strategy is the set of ideas about how to do this. It entails a theory, at least implicitly, about the nature of the international environment and threats and opportunities within it. As Hal Brands argues, grand strategy is “the intellectual architecture that gives form and structure to foreign policy.” Grand strategy is strategic in the sense that states are forced to make choices and rank priorities. Resources are limited, and insecurity is never completely extinguished, even under the best of conditions, so grand strategy emerges as states seek to maneuver within this realist world.

“A basic distinction can be made between grand strategies that are aimed directly at countering, undercutting, and containing a rival illiberal great power and grand strategies that are aimed at shaping the general geopolitical environment in which competition between states takes place.”

A basic distinction can be made between grand strategies that are aimed directly at countering, undercutting, and containing a rival illiberal great power and grand strategies that are aimed at shaping the general geopolitical environment in which competition between states takes place. The first type of grand strategy might be called positional and the second type might be called milieu-oriented.

Hiding

Broadly speaking, positional grand strategies that respond to a rising, rival, and threatening great power tend to fall along a spectrum from defensive to offensive. On the one end of the spectrum, a state might respond to a threatening great power by using a “hiding” strategy to try to remove itself from the threat. The state retreats to within its own borders and tries to reduce its exposure to the untoward behavior of the great power. At the extreme, this is grand strategy as isolationism. Such a country refrains from great power competition or deep entanglements in global security affairs. During the nineteenth century, the United States famously pursued a version of this strategy. It was a weak and peripheral rising state, separated from the Eurasian great powers by two oceans. During this era, Washington pursued a strategy of cheap security, remaining focused on continental economic and political development, and hemispheric foreign policy. Hiding might be pursued through a radical isolationist strategy, or it might simply entail a variation of what some call “restraint.” In this case, the United States remains a leading great power, but it pulls back from active involvement in extended security partnerships or balancing alliances. The key impulse behind a grand strategy of hiding is to stay out of the way of other great powers and remain within one’s own sphere of influence.
**Engagement**

On the other end of the spectrum is a grand strategy of engagement. This entails efforts to actively work with the rival great power. Various sorts of hard and soft tools might be employed, including diplomacy, trade and investment, military-to-military talks, and institution building. Most ambitiously, the goal would be to alter the nature of the rival state itself, thereby making it less of a threat. Or short of this, the goal would be to create an array of incentives and constraints within which the threatening state operates, thereby altering its untoward behavior. Or short of that middle-ground aim, the goal might be simply to construct working relationships and crisis management mechanisms to keep the inevitable disputes between the two countries from escalating into full-scale war. Engagement has been a consistent feature of American grand strategy over the last century. At the end of World War II, during the Bretton Woods negotiations, the United States and the UK made efforts to bring the Soviet Union into the postwar monetary system. This attempt did not work out, and the Western economies and the Soviet Union split apart. Despite the many variations on this general approach, the basic goal of engagement is to try to bring the threatening state into the prevailing international order, opening up the possibilities for cooperation and, hopefully, stimulating shifts in the illiberal great power that make it less threatening.

One specific type of engagement can be called “binding.” In this strategy, a state actively ties itself to the potential threat or geopolitical challenger. By binding itself to the rival state, the state seeks to create ties that are difficult to break, reducing the possibilities of security dilemma–driven spirals of conflict. In postwar Europe, France tied itself to Western Germany through the European Coal and Steel Community. On three occasions in the previous seventy years, Germany had invaded France. At this post-1945 moment, the choice was between balancing against and keeping Germany subdued, or engaging postwar Germany and binding it to the Western system. The binding strategy linked the two countries, together with other European states, to a cooperative economic regime, bringing the industries of war under joint political control. The United States also bound itself to Western Europe through the postwar North Atlantic security system. This strategy of security binding was driven by a mix of objectives. It was a strategy of building an alliance to shape the overall balance of power. But it was also a strategy aimed at binding the Western states together to reinforce cooperation and reduce the possibility of future shifts in geopolitical alignments and the return of security competition. Presumably, the strategy of binding would be less effective in conditions where the rivalry in question is full-blown and when the threat is not primarily one of security dilemma–driven conflict but outright predatory behavior.

**Balancing**

Between these two ends of the spectrum, there is the grand strategy of balancing. This approach could be termed the gold standard of realist theory, and it has been at the center of great powers’ grand strategies throughout the ages. This is what Waltz sees as the strategy that major states adopt under conditions of anarchy. In the face of a rising, rival, and threatening great power, a state seeks to muster power both internally and externally. It mobilizes its own material capabilities and works with other states to build temporary alliances and counterbalancing alignments. The balancing strategy is pursued during both peacetime and wartime. In peacetime, a state invests in its domestic economic and military capabilities and builds relationships abroad that are useful to its efforts to maintain at least an equilibrium of power in relation to the world of great powers. The requirements of balancing are shaped by the distribution of power. In a multipolar system, a variety of balancing coalitions...
might be possible, and states actively maneuver to maintain a distributed and decentralized system of power. This was the strategic logic most clearly seen in the European state system from the seventeenth to the twentieth century. In a bipolar system, two leading powers maneuver to maintain the balance. In the almost four decades of the Cold War, the United States and the Soviet Union pursued a grand strategy focused on the balance of power. By forming alliances and mobilizing economic and military power, the United States and its partners blocked and counterbalanced Soviet power.

The balance of power can operate as a loose system of great power relations, or it can entail a more ambitious strategy of containment. During the Cold War, the United States pursued a sequence of containment strategies, ranging from George Kennan’s loose, political-oriented strategy to a more globally organized and militarized approach seen in later decades. At its height, American grand strategy involved comprehensive efforts at bipolar balancing, tied to deterrence, ideological rivalry, alliance building, and economic and political mobilization. Throughout the Cold War, both major political parties in the United States backed the strategy of containment with bipartisan consensus. Within the foreign policy debate at the time, proponents of the containment approach defended it against alternatives on either end of the spectrum. Some sought not to simply contain the Soviet Union, but to actively engage in what was called rollback, which would have entailed efforts to directly subvert and overturn the Soviet regime. On the other end were proponents of a more restrained approach to the Soviet Union that would have involved pulling back from U.S. alliance commitments and forward deployments of power. At the outer edges of this position was the strategy of appeasement.

Grand strategies of hiding, balancing, and binding are positional approaches aimed at countering, blunting, or neutralizing a menacing great power by striving to directly diminish the power and position of that state. In contrast, a milieu grand strategy seeks to shape the larger international order in which the competition between the two states plays out. The strategy is not to target a specific state but to structure the international environment in ways that are congenial with the state’s long-term security. This might entail building the infrastructure of international cooperation, promoting trade and democracy in various regions of the world, and establishing partnerships that might be useful for various contingencies. For the United States, the ultimate aim of a milieu grand strategy is to foster a setting in which its economy and society thrive. In an open and loosely rules-based order, complex interdependence is unleashed, generating expanding realms of exchange and investment that result in a growing array of firms, interest groups, and other sorts of stakeholders who seek to preserve the stability and openness of the system. In effect, the objective is for the correlation of forces—the aggregate of wealth, power, partnerships, and social capital—gradually to shift in favor of the United States and other liberal democracies. It is a strategy of investing in a world system that will pay long-term dividends.

**Great Power Wars and Milieu-based Postwar Order Building**

“The United States has pursued both positional and milieu-based grand strategies at critical moments of great power conflict during the twentieth century.”

The United States has pursued both positional and milieu-based grand strategies at critical moments of great power conflict during the twentieth century.
These moments occurred during and after the two world wars and during the Cold War. In each case, the United States and other liberal states faced growing threats from rival great powers: autocratic Wilhelmine Germany, Nazi Germany, Imperial Japan, and the Soviet Union. Inevitably, these challenges evolved into struggles over the principles of world order and the fate of the liberal democratic way of life. At each juncture, the United States and its partners employed a full range of strategies, orchestrating a coalition of states to variously balance against, contain, and defeat the illiberal aggressor. After World War II, the United States and its partners pursued strategies of liberal order building. In each instance, the United States did not simply pursue a grand strategy aimed at rebuilding the balance of power. It also employed the fuller array of engagement and coalition-building strategies to shape the postwar environment, or the milieu, in ways favorable to its long-term interests and values.

First, American actions in these conflicts began as straightforward efforts to push back against adversaries and reestablish a favorable balance of power. In World War I, the United States joined the Allied powers as an associate member. In World War II, the United States again came late to the war but eventually used its oversized military capabilities to tip the balance and win the war in Europe and Asia. In the Cold War, the United States led a wider coalition of states in seeking to counterbalance and contain the postwar expansion of Soviet power and influence. In all three instances, the United States responded to great power aggression by organizing, and eventually leading, a counterbalancing coalition aimed at restoring a favorable balance of power. What worried the United States was not just the growth of specific military threats. The bigger worry was that these hostile great powers would eventually come to dominate the larger global system.

The reason these rising and rival great powers were so threatening was that they could have grown strong enough to dominate large expanses of the Eurasian continent. The great fear then was, and now is, that a grouping of illiberal great powers could build closed regions—blocs, imperial zones, or spheres of influence—leaving the United States and the liberal democratic partners on the outside. To be sure, the United States did launch a campaign of empire building at the turn of the twentieth century after the Spanish-American War. It made alliances and bargains with imperial states at various moments. But the dominant impulse of American strategy across these decades was to seek a post-imperial system of great power relations. This American grand strategy was intended to build an international order that would be, in effect, open, friendly, and stable. This meant open in the sense that trade and exchange were possible across regions; friendly in the sense that none of these regions would be dominated by a rival illiberal great power that sought to close off its sphere to the outside world; and stable in the sense that this postimperial order would be anchored in a set of multilateral rules and institutions that would give the order broad legitimacy, the capacity to adapt to change, and the fortitude to persist well into the future.

Second, in each instance, the United States leveraged its counterbalancing power by building coalitions of like-minded states. The coalitions of the two World Wars and the Cold War were primarily composed of liberal democracies—the Allies, the United Nations (UN), and the free world, in each respective case—that ultimately won the war and negotiated the terms of peace. In each case, the United States provided the critical margin for success, providing leadership and material power: in 1940, it was the “arsenal of democracy” that turned the tide, as Roosevelt put it. Liberal democracies had values, interests, and capacities for cooperation that repeatedly brought them together to resist the aggression and expansionary projects of powerful illiberal states. As Michael Doyle has noted, “when states are forced to
At these postwar moments, the democratic character of these coalitions was itself a stimulant to the ideas and projects they advanced. The United States brought a distinctive internationalist vision with a set of ideas, aspirations, and agendas that framed war aims and postwar diplomacy. In each case, the mobilization for war and great power competition was framed as a contest of ideas and visions. American leaders sent a message to the nation: if you pay the price and bear the burdens of this struggle, we will endeavor to build a better America, and a more hospitable world order, on the other side. As the UN and the Euro-Atlantic system and conceptual examples of collective security such as the Four Freedoms, a “New Deal for the World,” and a “new world order” signify, the United States repeatedly aligned itself with efforts to reform the rules and institutions of world politics.

At the ends of the two world wars and the Cold War, the United States made efforts to rebuild or expand the international order in ways that created a congenial milieu for liberal democracies. In 1919, Wilson made sweeping proposals for a reformed international order, organized around the League of Nations. Open trade, international law, and collective security were to be core pillars of a system in which the Western liberal democracies would hold sway. After World War II, in the shadow of the Cold War, the United States and its allies and partners established a complex and sprawling system of economic political, and security institutions that persist today. Roosevelt made this point in his appeal to the delegates grappling with postwar financial and monetary issues at the Bretton Woods conference in July 1944. Great gains could be obtained from trade and investment across borders, but domestic economies had to be protected from the spread of destabilizing, unilateral economic actions by irresponsible governments.

After the Cold War, American leaders again articulated grand ideas about the expansion and deepening of the...
The elder Bush offered a vision of a “new world order” in which states would trade, exchange, and cooperate within an open, rules-based system. As I note later, the Clinton administration went further, advancing ideas of an expanding liberal democratic community. Some officials described American grand strategy as one of “enlargement,” in which liberal democratic values and institutions would come to encompass the broad reaches of the developed and developing world.

Strategies of Containment

During the almost four decades of the Cold War with the Soviet Union, the United States pursued its most coherent, comprehensive, and celebrated grand strategy: containment. In 1945, the old European-centered world order lay in ruins. The United States was the only great power that had grown stronger, in wealth and military power, during the war. The Soviet Union had sustained terrible losses, but it, along with the United States, dominated the postwar geopolitical landscape. These wartime allies then faced each other as rivals, drawn into the European vacuum produced by the decline and defeat of the other major Western states. The United States saw the Soviet Union not only as a traditional rival in realist terms of power and politics but as the leading state of an expanding communist world movement. Since 1917, when Wilson and Vladimir Lenin had offered the world competing visions of modern world order, the United States and the Soviet Union had been grand ideological rivals. The postwar efforts by Soviet leader Joseph Stalin to establish client regimes and build a closed sphere of influence in Eastern Europe, the increasingly evident brutality of the Soviet system, and the growing threat of the worldwide projection of Soviet power and influence were the catalysts for the postwar American debate over grand strategy. Containment was the eventual response.

The issue was not that the Soviet Union was an ideological and geopolitical rival. The debate was over how to respond to Moscow as an illiberal great power that was a rising and threatening rival. Until his death in April 1945, Roosevelt had held out the hope of building a cooperative postwar order that the Soviet Union and the United States, together with China and the UK, would together organize and manage. In the summer of 1944, the Soviet Union was invited to the Bretton Woods conference on the postwar rebuilding of the world economy, and the United States made seemingly sincere efforts to find a way for Moscow to operate within the postwar multilateral monetary and financial system. John Lewis Gaddis has called this strategy toward the Soviet Union “containment by integration,” an approach built on the assumption that the Soviets could be drawn into a Western-dominated order.

After all, the major concern of American strategists during World War II was to find a way to rebuild relations among the Western advanced industrial societies. The war itself was widely seen in the United States as a product of the failure of the Western states during the interwar years to maintain an open system of trade as well as their chronic inability to reform and stabilize capitalist democracy. In this sense, the threat to liberal democracy, as many Americans saw it when the war ended in 1945, came less from illiberal great powers on the outside as from the internal failures and dysfunctions of liberal democracies. First and foremost, it was this deep conviction that drove the great efforts made by the United States, the UK, and other postwar democracies to rebuild the world economy and establish permanent multilateral mechanisms to manage economic interdependence.

As the vision of a cooperative postwar system between the great powers faded after 1945, the question increasingly became how the United States and its allies should respond to the growing threat of Soviet power. While some hardliners on the political
right advocated a policy of confrontation and rollback, others on the political left advocated a policy of accommodation. The debate took place in an extraordinarily fast-moving postwar geopolitical setting. In a few short years, the United States went from waging a violent war in an alliance with the Soviet Union against Germany and Japan to a world in which West Germany and Japan were its closest partners and the Soviet Union was its most fearsome enemy. Along the way, a cascade of threatening postwar developments—including rigged elections in Eastern Europe, the blockade of West Berlin, communist insurgencies in Greece and Turkey, the Korean War, and rapidly emerging Soviet nuclear capabilities—drove the United States toward a policy of aiming to counterbalance and contain Soviet power.

Former British prime minister Winston Churchill's famous March 1946 speech in Fulton, Missouri, announcing that an “iron curtain” had “descended across the Continent” of Europe, foreshadowed American thinking. The initial intellectual statement of the emerging containment strategy was articulated by Kennan in the so-called Long Telegram sent to Washington from the U.S. Embassy in Moscow in February 1946. This document was circulated widely in the White House, and it was later published as a July 1947 Foreign Affairs essay entitled “The Sources of Soviet Conduct,” under the pseudonym Mr. X. Kennan’s central argument was that the character of the Soviet regime made a negotiated settlement with Moscow essentially impossible. There was no middle ground or compromise agreement that could be reached with the Soviet Union that would provide a foundation for a unified and cooperative postwar world order. The only alternative was to counterbalance and seek to limit the worldwide expansion of Soviet power. For Kennan, this strategy of containment was as much political and psychological as it was military. It involved a clash of geopolitical systems of politics and society, a struggle that would not quickly end. As a result, containment needed to be pursued on a long-term basis, requiring “patience and calm persistence.”

In the years that followed, the Truman administration took Kennan’s thesis and turned it into a grand strategy of containment that would drive American foreign policy for the coming decades. The formal adoption of the containment strategy came with the announcement of the Truman Doctrine in March 1947, which stated that the United States would counter the expansion of Soviet power by supporting the “free people who are resisting subjugation by armed minorities or by outside pressures.” The particular triggers for this expansive policy were the Greek Civil War of 1946–1949 and the communist insurgency in Turkey. In his address, Truman requested $400 million in economic and military assistance for Greece and Turkey. In effect, the United States stepped forward and announced that it would help both countries from slipping into the Soviet Union’s communist orbit. The American strategy of aiding countries on the border of the Soviet system eventually led to more formal military cooperation with Europe and states in other regions of the world. The centerpiece of this emerging global alliance system was the North Atlantic Treaty Organization (NATO), which tied the United States to the other Western democracies and anchored a wide range of cooperative security activities.

“The end of the Truman administration, the strategy of containment had become a comprehensive project of building a global counterweight to Soviet power.”

By the end of the Truman administration, the strategy of containment had become a comprehensive project of building a global counterweight to Soviet power. Containment was both positional and milieu-based. It sought to directly confront the looming Soviet military presence in Europe, but it also aimed at shoring up resistance to communist movements in all regions of
the world. Alliances, partnerships, and multilateral institutions provided the infrastructure of this semipermanent containment system. In effect, the earlier, Roosevelt-era grand strategy of reforming and underwriting the Western-oriented community of liberal democracies was folded into the larger Cold War strategy. By the early 1950s, the twin projects of openness and containment had come together. The construction of the security partnerships and open economic relationships with Western Europe and East Asia were essential to fighting the Cold War, while the imperatives of the Cold War reinforced cooperation between America and its partners and created domestic support for American leadership. Over time, a U.S.-led political order emerged that was built around two central pillars: the American market and the American security umbrella. The American military’s guarantee to Europe and Asia provided a national-security rationale for Japan and the Western democracies to open their markets. Free trade helped cement these alliances, and in turn the alliances helped settle economic disputes.\(^{32}\)

Even though the American establishment had reached a consensus to embrace the containment strategy, there remained a lively debate over how to pursue it. Kennan argued for a limited, politically oriented strategy that focused on maintaining a stable and functioning Western system (an approach some observers called the “strongpoint defense”). Others argued for a more comprehensive and militarized version that took the fight to the Soviets, particularly after the shocks of 1949, the Communist revolution in China and the Soviet atomic bomb. Advanced by Paul Nitze and laid out in the national security memo called NSC-68, this version of containment was sometimes called the “perimeter defense.”\(^{33}\)

Ultimately, this more comprehensive version of containment prevailed, and the United States used all its tools as a leading state to build a U.S.-led liberal hegemonic order, one in which America’s political and economic system became part of the overall liberal international order. In both the security and economic realms, the United States found itself taking on new commitments and functional roles. America’s domestic market, the U.S. dollar, and the Cold War alliances emerged as crucial mechanisms and institutions through which postwar order became tied into one system.

The Western-centered order that emerged during the Cold War created a bulwark of wealth, power, and collaboration that kept the Soviet Union at bay. The Cold War strategy of containment had both an offensive and defensive logic. It was offensive in the sense that it sought to deny the Soviet Union and the Warsaw Pact access to the markets and technology of the Western liberal world. The two poles of the bipolar system were sufficiently decoupled to make this strategy viable. Western industrial societies had an edge in sectors such as finance, manufacturing, science, and high technology. This meant that barriers to the transfer of these assets had material and hard-power implications for the Soviet Union’s capacity to compete with its Western rivals.\(^{34}\) As Deborah Larson has argued, the “United States could use economic containment in the form of embargoes on the Soviet bloc and China to prevent its rivals from acquiring machinery and equipment that would strengthen their military power.”\(^{35}\) This was the offensive face of containment.

The defensive logic was focused on building a Western system that could out-innovate and out-produce its rivals. The task was not to undercut or sabotage the Soviet system but simply to generate more power and wealth than the other side of the Iron Curtain could muster. This idea was central to Kennan’s vision of containment, in which he argued that the “palsied decrepitude of the capitalist world is the keystone of Communist philosophy.”\(^{36}\) To the extent that the West could prove the Kremlin wrong, the ideological and political standing of the Soviet
putting pressure on the United States to engage the Soviets on nuclear arms control, leading Reagan and Gorbachev to issue a statement at their 1985 Geneva summit that said, “nuclear war cannot be won and must never be fought.” The Cold War’s end was not simply due to containment but also was due to selective forms of engagement and the ability of the Western bloc, at critical moments, to signal its defensive intentions.

Despite this, the end of the Cold War was a multifaceted moment in world history. Containment certainly played a role in weakening the Soviet Union, or at least in preventing them from acquiring technologies or gaining access to Western resources and markets. Containment certainly played an important role in blocking Soviet expansionism. On the other hand, in some ways, it was what could be termed the failure of containment that played a role in persuading Gorbachev and his leadership coalition to end the Cold War standoff. Many of the advisers surrounding Gorbachev were internationalists who traveled widely in the West and shared their globalist ideas.

Even during the dark decades of Soviet-American rivalry, physicists and atomic scientists met frequently to discuss ways to limit nuclear competition, paving the way for détente-era arms control.

Even then president Ronald Reagan mixed his hardline rhetoric and military modernization agenda with various types of engagement initiatives, ending the grain embargo from former president Jimmy Carter’s tenure and acquiescing to the efforts of NATO allies to build a natural gas pipeline to link the Soviet Union to Western Europe. At the same time, even when the Reagan administration pushed a hardline policy toward the Soviet Union, it was counterbalanced by countervailing tendencies in the West, including the peace movement, economic interest groups, and transnational civil society actors. The anti-nuclear movement in Western Europe also played a role in

putting pressure on the United States to engage the Soviets on nuclear arms control, leading Reagan and Gorbachev to issue a statement at their 1985 Geneva summit that said, “nuclear war cannot be won and must never be fought.” The Cold War's end was not simply due to containment but also was due to selective forms of engagement and the ability of the Western bloc, at critical moments, to signal its defensive intentions.

**Strategies of Engagement**

“While containment strategies aim to blunt, undercut, and exclude the rival great power, engagement seeks to drawn it into the liberal democratic world.”

The United States has also pursued various sorts of engagement strategies in the face of rival great powers that are illiberal, rising, and threatening. While containment strategies aim to blunt, undercut, and exclude the rival great power, engagement seeks to drawn it into the liberal democratic world. Containment seeks to deny the illiberal great power the wealth and power it could generate through trade and exchange with the liberal democratic world. By contrast, engagement seeks to use these prospective gains as incentives and rewards for restrained and cooperative behavior. Strategies of engagement can range in their ambitiousness. The aim can be limited and targeted, such as offering favorable trade terms in exchange for concessions on specific items, such as the treatment of foreign investment. Or the objective can be more comprehensive, such as inviting the illiberal state into the Western liberal order with the hope that such inclusion would trigger domestic reforms that would ultimately lead to self-initiated regime change. In a more limited version of the strategy, the goal is not to change the nature of the rival state’s regime, but
simply to alter its incentive structure in specific policy areas or to entangle it in a wider system of economic and political relationships that make it more difficult for the state to act in aggressive ways.

The American approach to the rise of China, starting with the Clinton administration in the 1990s, was organized around a complex and shifting set of engagement policies. At the end of the Cold War, the United States presided over a vibrant and expanding liberal capitalist system. Countries in all regions of the world—including East Asia, Latin America, and Eastern Europe—were making transitions toward market capitalism and liberal democracy. The collapse of the Soviet Union was widely seen as a failure not just of America’s greatest geopolitical rival but also of the last grand alternative to liberal capitalism. China, under the leadership of Deng Xiaoping after the death of former leader Mao Zedong, was engaged in a pragmatic yet comprehensive program of reform, opening the economy to foreign investment and decentralizing markets. The Chinese economy was coming alive, but it had not yet begun its approximately three-decade run of nearly continual double-digit growth. At this juncture, it was not difficult to see a future in which China would continue to pursue reform and in which its society would continue to open up and liberalize. The most important world-historical fact of the last decade of the Cold War was the unrivaled power and dynamism of the Western system, and there was reason to think that this apparent fact about the direction of the modern world would continue. Engagement of China fit into this global strategic assessment.

The Clinton-era grand strategy was not simply or primarily aimed at shaping China’s emergence as a great power. The larger strategy was to consolidate, and where possible expand, the American-led liberal international order. The elder Bush had pointed U.S. policy in this direction. The Clinton administration pushed this approach further, using multilateral institutions to stabilize and integrate the emerging market democracies into the advanced democratic world. Anthony Lake, Clinton’s national security advisor from 1993 to 1997, said that the strategy was aimed at “strengthening the community of market democracies” and was meant to “foster and consolidate new democracies and market economies, where possible.” The United States would help “democracy and market economics take root,” which would in turn expand and strengthen the Western democratic order. This strategy primarily targeted parts of the world that were beginning their modernizing transitions. Domestic reforms in these countries would be encouraged and rewarded, and locked in if possible, through new trade pacts and security partnerships. In the formal statement of its strategy, the Clinton administration called for a multilateral approach to major foreign policy challenges like nuclear proliferation, regional instability, and unfair trade practices. Multilateral cooperation would provide the foundation for an expanding liberal democratic order.

The Clinton administration’s decision to invite China to join the World Trade Organization (WTO) was perhaps the most momentous step in this engagement strategy. Clinton saw the rise of China as part of a larger and rapidly unfolding worldwide process of globalization. The United States would gain in this globalizing world. China, the thinking went, would be either constrained or transformed. The strong version of the argument was that Chinese integration into the world economy would ignite a liberalizing process that Beijing would find hard to stop. Ideally, China’s involvement in the trade system would have liberalizing effects on its society, creating domestic constituencies for openness and political reform. Once China became enmeshed in the WTO’s liberal rules and practices and began to realize the benefits of trade and economic growth, incentives would be generated to liberalize its domestic economy and political institutions. This was not a naïve expectation...
that China would turn into a Western-style democracy. The assumption was that economic openness would have a liberalizing effect on Chinese society and that this shift would lead to bottom-up demands for political change. In May 2000, Congress voted to award China permanent normal trade relations and effectively backed China’s bid for WTO membership. Clinton emphasized the liberal logic of this move: “By joining the WTO, China is not simply agreeing to import more and more of our products; it is agreeing to import one of democracy’s most cherished values: economic freedom.” China was growing rapidly and its impact on the world economy was unavoidable. WTO membership would bias its ascent in the direction of Western norms and practices.

This American engagement strategy with China extended into the administrations of former presidents George W. Bush and Barack Obama. As Bush argued in May 2001, “when we open trade, we open minds.” Several years later, then deputy secretary of state Robert Zoellick provided an explicit statement of this logic in a speech urging China to take on the role of a “responsible stakeholder.” Zoellick maintained that China was a major beneficiary of the U.S.-led international order and its Western-defined values and priorities. Zoellick urged China to “adjust to the international rules developed over the last century.” If Beijing did so, he went on to say, it could expect to become a leading state within this order: “It would work with us to sustain the international system that has enabled its success.” The door to China’s integration into the Western liberal order was open.

A close look at the Clinton-era approach to China reveals a surprisingly wide set of views about the goals and tactics of engagement. There were at least three schools of thought that fed into the administration’s policy. One view emerged early in the 1990s and focused on the use of trade agreements with China as a source of leverage on Chinese human rights policy. Clinton announced his support for what was termed a linkage approach to engagement with China during his first campaign for president, and within the administration then secretary of state Warren Christopher and his liberal-progressive advisors championed this approach, one that put the logic of conditionality at the center of engagement. Beijing would need to pursue human rights reforms in real time if it expected to get preferential trade treatment, including most-favored-nation status. This view remained in play, but it soon came under pressure from the U.S. business community, members of Congress, and administration officials who sought to promote trade and investment with China.

The proponents of a second view advanced a strategy of “comprehensive engagement,” designed to open up a large agenda of dialogue and cooperation with China by managing differences. Winston Lord, who served as assistant secretary of state for East Asia, gave voice to this view in 1993. The principles of comprehensive engagement were to pursue dialogue at all levels to achieve results; to build confidence and agreement in areas where interests converged; and, through diplomacy, to reduce differences where they existed. The idea was not to change China through integration into the Western system, but rather to manage controversies on multiple fronts—including human rights, trade, arms sales, Taiwan, and so forth—in a way that would keep relations stable and peaceful over time. This more realist-inflected policy remained at the center of Clinton-era policy, but it was gradually overtaken by the third, more general, strategy of seeking the long-term evolution of China and its foreign policy through socialization and integration into the American-led liberal world order.

At the end of the 1990s, the United States claimed some success in its multifaceted strategy of engagement. China made at least some gestures to address human rights, and Beijing took steps in the direction of legal reform and rule-of-law developments.
in the area of foreign investment and commercial relations. But a decade later, at the end of the Obama administration, it was difficult to see lasting changes in China’s economy, society, or approach to the world. With the arrival of General Secretary Xi in 2012, China began regressing, and the logic of engagement—both tactical and comprehensive—lost its appeal.

“Ultimately, U.S. policy toward China was always about more than engagement.”

Ultimately, U.S. policy toward China was always about more than engagement. Across the post–Cold War administrations, the United States pursued a threefold strategy. First, Washington did seek to draw China into the rules and institutions of the global order. After all, China was already in the international order as a member of the UN Security Council and of the Nuclear Non-Proliferation Treaty and as a host of other regional and global bodies. But secondly, the United States also sought to build counterweights to Chinese power through an invigorated and deepened alliance system in East Asia, and thirdly, Washington strived to strengthen Asia-Pacific regional architecture as a bulwark against Chinese revisionism. The Clinton-era renewal of the U.S.-Japanese alliance, credited with redefining the security pact as a “force for stability,” has to be put on a short list of great American foreign policy accomplishments.48

Joseph Nye was reflecting the Clinton administration’s thinking, with an eye on the “rise of Chinese power,” when he made the case in a 1995 Foreign Affairs article for an American strategy of “deep engagement.”49 At the time, it was not altogether obvious that the United States would stay in East Asia after the Cold War or that Washington would remain a security provider in the region through the forward deployment of its forces. But the case was made, and deep engagement remains to this day at the core of American strategy. At the same time, the United States has made efforts to expand the regional space in East Asia to include India, Australia, and the Americas. In U.S. strategic thinking, a larger region is one that will be more open and less dominated by China.50 It is not surprising that many observers in the 1990s referred to U.S. policy toward China as “congagement,” not engagement.51

Building a Critical Mass of Democracies

“Faced with the problems of geopolitical vulnerability, the liberal internationalist impulse has been to build a world in which liberal states hold sway.”

When liberal democracies face aggressive, illiberal great powers, they worry about the problem of anarchy and the risks of domination, coercion, and war. But liberal democracies also have two additional specific worries. They worry about the threats that illiberal rivals pose to the liberal international order, and they worry about the indirect effects of geopolitical competition, and ultimately those of war—on their domestic institutions. For both problems, liberal democracies have pursued a basic strategy: building alliances and partnerships with like-minded states. They have sought to create a “critical mass” of liberal states that can stand up to threatening great powers and have strived to establish a stable and enlarged zone of peace within which liberal democracies can function and protect themselves. Faced with the problems of geopolitical vulnerability, the liberal internationalist impulse has been to build a world in which liberal states hold sway.52

One of the oldest worries in the republican-liberal political tradition, noted by theorists in both the ancient and modern eras, is the pernicious impact that war, power politics, and imperialism have on liberal
institutions. Historically, republics and liberal societies have been fragile entities, vulnerable to the illiberal impulses that inevitably emerge within states engaged in geopolitical competition and war. Republics are purposely designed as weak states, built around divided government, the separation of powers, private property and contracts, the rule of law, and constitutionally protected civil liberties. But war and militarized conflict put these principles at risk by creating exigencies that lead to a stronger state. The worry is that warfare and imperialism tend to lead to the militarization and regimentation of liberal society, opening the door to the “garrison state.”

Liberty is sacrificed to preserve national independence. Alexander Hamilton, in “The Federalist No. 8,” made the case for union among the American states on the grounds that if they were left unbound, the postcolonial states would fear each other, and this would lead to the militarization of their societies. Many thinkers have made this point in many ways. In modern liberal societies, including the United States, this worry has been a recurring theme in foreign policy debates about war, empire, and military interventionism.

The aggrandizements of illiberal great powers can also threaten the liberal international order. Wielding power and their own ideologies and geopolitical projects, illiberal powers engage in rival forms of order building. This was seen most dramatically in the twentieth century, when powerful fascist, communist, and autocratic states sought, often violently, to impose various sorts of imperial and sphere-of-influence orders on the world. Nazi Germany and the Soviet Union offered grand projects for remaking world politics in ways profoundly hostile and threatening to liberal democracy and open, rules-based relations. The Cold War was seen on both sides of the bipolar world as a contest over the terms of global order. More recently, General Secretary Xi has made it increasingly clear that a more powerful China will seek to impose its own vision on world order. “His understanding of the centrality of China signifies something more than ensuring that the relative weight of the country’s voice or influence within the existing international system is adequately represented,” as Elizabeth Economy has written. “It connotes a radically transformed international order.”

In the face of these threats, the oldest impulse in the liberal democratic tradition is to seek safety in numbers. Immanuel Kant argued in his 1795 essay “Toward Perpetual Peace” that republican states would only be able to live in peace and protect their domestic freedoms when united as an association of states. Most ambitiously, this would be a worldwide federation of republics. Liberal principles and institutions would be safest, his thinking went, in a world where all states embraced republican government and joined together in a treaty of federation. Kant did not develop explicit organizational proposals for a federation or union of liberal republics. His argument was that republican states can protect their way of life by working together, creating a zone of peace that would push tyrannical and despotic states to the periphery. The federation or union of liberal states would increase the survivability of these fragile states. They would get to operate in a more benign international environment that would reinforce rather than threaten their republican principles and institutions, and they would aggregate their power in a way that would work to the disadvantage of illiberal rivals. If these states could gain a “critical mass” within the international system, they would be safer and more capable of responding to threats to the liberal peace.

In an echo of this Kantian vision, liberal democracies throughout the nineteenth and twentieth centuries built associations and engaged in security cooperation. Liberal democracies have also allied with nondemocracies, but the common interests and values that liberal democracies share, and their unique capacities to cooperate, have tended to make them
frequently enter into alliances with each other. Security cooperation has been envisaged and pursued in various ways. The most elemental form is manifested in geopolitical alignments, with liberal democracies finding themselves on the same side of international conflicts, while they endeavor to settle their own disputes without war. These alignments may not aggregate into a formal system of cooperation but may simply manifest themselves in the politics of war and diplomacy within the state system. Formal alliances are a more organized form of security cooperation, though they can be more or less binding. In the twentieth century, particularly in U.S. security relations with Europe and East Asia, alliances have turned into permanent organizations that engage in a wide array of activities. Security cooperation can also turn into what Karl Deutsch has called “security community,” a deeper political community in which the risks of large-scale war are thought to essentially disappear as a possibility. This type of security order has been most fully realized among Western liberal democracies in the postwar era.\(^5^7\)

The rise of China as an illiberal challenger with hegemonic ambitions has triggered new efforts by liberal democracies to work together. As it did in earlier decades, the United States has called for a coalition of like-minded states and associated partners to create alignments that strengthen the underpinnings of the liberal international order. President Biden, in his September 2021 UN speech, mentioned “allies” eight times and “partners” or “partnership” fourteen times.\(^5^8\) After all, the China challenge is not just aimed at American's global position. It is a challenge to the wider world of liberal democracies and their long-standing military, economic, and ideological dominance of the global system. By working together, liberal democracies can leverage their power to shape and defend global rules and institutions. The goal seems to be to build a wide variety of ad hoc groupings to aggregate military, economic, and diplomatic capabilities in various zones of competition. Within East Asia, as Kurt Campbell and Rush Doshi have argued, the “purpose of these different coalitions—and this broad strategy—is to create balance in some cases, bolster consensus on important facets of the regional order in others, and send a message that there are risks to China's present course.”\(^5^9\)

The rise of China has also led liberal democracies to work together to shape global rules, regulations, and technological platforms and to protect liberal values and principles enshrined in global institutions and regimes. Multilateral institutions and regimes are not value neutral. They can be more or less friendly to liberal democracy and human rights and more or less friendly to authoritarianism and autocracy. Technological platforms and their network externalities can give one side or the other advantages. This struggle favors first movers and countries that work together with other countries to create broad-based coalitions. The U.S.-led strategy is to build coalitions with liberal democracies to strengthen their shared position in these diverse, technology-driven areas of global rule-making and regime-making. The Biden administration's Summit for Democracy, held in early December 2021, was emblematic of these efforts to strengthen the position of liberal democracies in their competition with illiberal challengers. Former NATO secretary general Anders Fogh Rasmussen has underlined the aim of the summit, saying, "I hope the 110 leaders will rally around some basic principles for democratic societies, and the aim should be to strengthen our voice and our efforts to counter the advancing autocracies like China, Russia and other autocrats."\(^6^0\) It is a strategy that Kant would have immediately recognized and applauded: building a critical mass of liberal democracies that can hold sway over the terms of world order.
Conclusion

Over the last century, the United States has repeatedly faced illiberal great powers that have threatened its security, global standing, and liberal democratic way of life. In response, American leaders have pursued a variety of grand strategies. In the face of rising, rival, and threatening great powers, the United States has pursued strategies of balancing and containment as well as strategies of engagement and co-existence. In this essay, I have offered a conceptual and historical mapping of these various grand strategies.

There are two recurring patterns in the American response to threatening illiberal states. First, the United States has typically pursued a complex mix of strategies and tactics. Even during the Cold War, when American policy was overwhelmingly focused on the containment of Soviet power, it also was used to pursue various sorts of engagement initiatives, including arms control and, at the height of the Cold War, a joint effort with the Soviet Union through the World Health Organization to find a vaccine for smallpox. During the Reagan administration, the hardline policy toward Moscow was matched with conciliatory steps to end the trade embargo and, later, to pursue summit diplomacy aimed at the reduction of the two sides’ nuclear arsenals. In the background, the Western system presented a complex face to the Soviet Union. The European peace movement and civil society groups were actively engaging their Soviet counterparts. The American strategy of containment was coherent and forceful, but it was complemented by other internationalist forces that together shaped the Soviet Union’s external environment.

Likewise, during the 1990s and into the new century, American engagement of China was matched by various counterbalancing moves. Engagement itself was more complex than it has often been depicted. The United States did seek to entangle China in Western trade and investment networks. There was a “liberal bet” that as China integrated itself into the world economy and joined Western regimes and institutions, it would slowly accommodate itself to their liberalizing logic. But other steps were taken, simultaneously, to shore up America’s alliance system with Japan and other East Asian security partners. The strategy was not just to try to generate incentives for China to integrate into the U.S.-led liberal international order, but also to guard against its possible revisionist ambitions. The American strategy of deep engagement was fundamentally an insurance policy against the rise of an illiberal Chinese superpower. In both cases, in response to the Soviet Union during the Cold War and to China in the 1990s, the United States pursued a mixed strategy, leveraging both its hard power and soft power and using its leadership of the liberal world order to incentivize and constrain these rival states.

“*The United States has repeatedly made a grand strategic bet on the power of the liberal democratic world.*”

Secondly, at the deepest level, the United States has repeatedly made a grand strategic bet on the power of the liberal democratic world. It has sought at each turn to build and expand the critical mass of democracies, so as to make democracy the dominant reality in world politics. This aim has been pursued by administrations on the right and the left, during times of both war and peace. The impulse has been based on both realist and liberal calculations. The United States has always been more powerful when it is aligned with like-minded allies. Its most capable and dependable partners have been in Western Europe. Together, these two parts of the advanced industrial world have held sway in the face of illiberal great power challengers. The United States has also committed itself to democratic solidarity because of its republican-liberal regime principles. Liberal republican states have always felt threatened by the anarchy of a
realist-style world of great powers. Republican institutions are fragile, and war and geopolitical conflict can threaten the principle of limited government and the rule of law. As a result, the United States has consistently sought to build up the subsystem of liberal democracies. Over the last century, the names and places of America’s geopolitical challengers have changed. But the strategies that the United States has pursued in the face of these rising, rival, and threatening states have remained strikingly consistent.

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43. For a careful analysis of the assumptions and expectations behind the Clinton administration’s engagement policy toward China, see Alastair Iain Johnston, “The Failures of the ‘Failure of Engagement’ with China,” *Washington Quarterly* 42, no. 2 (Summer 2019), 99–114.


46. Zoellick, “Whither China?”


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