

Neo-Liberalism in Theorizing World Politics Post Cold War

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Abstract – Neo-Liberalism as a theory mechanism is understood as positivist approach or behavioral and is an extension of Liberalism in scientific way. It is the structure which focuses on economic character, global economy and political structure. Neo-Liberalism is an overarching structure of capitalism and under this structure there are many economic institutions such as IMF, WTO, INGO, TNC, MNC et al. They highlight interdependence as complex interdependence which emerges out of the structure that shapes the behavior of States as one can see how European Union, WTO, SAARC and other international organizations determines the behavior of States. However before obtaining into Neo-Liberalism, one must have a glimpse of Liberalism and how it has evolved over a period of time to be called as Neo-liberalism. This essay endeavors to scrutinize the evolution of Liberalism to Neo-Liberalism and how it has become a dominant phenomenon post-cold war outlining its characteristics, pivotal development in the current world order which has been wielded by countries across the globe and its current position. I will also address the development post 9/11 and Arab Spring to understand contemporary issues and location of Neo-liberalism and how it has shaped the world politics theoretically.

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1. INTRODUCTION

Twenty years have passed since the demise of Soviet Union where Neo-Liberalism has emerged as widespread phenomena which comprehends an immense sphere. It investigates areas such as political freedom, democracy, constitutionally guaranteed rights, and equality before law, free trade, commerce, collective security, human rights, sovereignty, foreign investment, globalization et al. Today one can see how Neo-Liberalism has become widespread where countries across the globe has actualized Neo-Liberal notion of International sphere by accepting the ideology and theory mechanism. After the demise of Soviet Union Francis Fukuyama wrote "*The end of History*" where he inscribed that Capitalism will not face any competitor and Liberalism/ Liberal Democracy will become prevalent without any ideological competitor. Political transformation in Eastern Europe, Africa and Latin America strengthened the argument.

2. EVOLUTION OF LIBERALISM:

Liberalism had a great impact on modern industrialist society. It believed that individuals should be free from state power, prosecution and superstition. Liberalism individualist defines man as essentially a consumer of utilities, an infinite desirer and infinite appropriator. However the evolution of this ideology dates back to

Enlightenment Period over the rights of man where Papacy and all the traditional religious institutions were challenged. During the *Renaissance Period* there was encouragement for *Spirit of enquiry* and people began to question the religious authority. It had a great impact as it is referred to as *Age of Discovery*. It marked a reaction against medieval culture and created spirit of Humanism. There was decline of Feudalism, geographical exploration were made, printing press was invented, science was developed which led to scientific revolution. This period created a feeling of equal rights as people were now looking for scientific reason and religious supremacy were challenged. The *Magna Carta* in 1215 agreed by King John of England was a charter which gave protection to the Barons from illegal imprisonment, access to justice and reduction of Feudal Payment. Development of English Common Law and Bill of Rights 1689 in England created separation of powers, democratic election and freedom of speech. Intellectual contribution of Hugo Grotius "*The Law of Nations*." Rousseau's Social Contract Theory which challenged Divine Origin Theory, Locke's popular consent and limits of sovereignty. An early jurisprudence of Human rights can be found in American Declaration of Independence in 1776 and France's Declaration of Man and the Citizen 1789. The most important contribution are the Universal Declaration of Human Rights 1948, International Covenant on Civil and

Political Rights 1966, International Covenant on Economic Social and Cultural Rights 1966 and also International Labor Organization and International Court of Justice plays a crucial role as institution in promotion of liberal ideas. Liberal ideas date back to the writings of Plato, Aristotle and others.

Aristotle's "*The Politics*" addresses the questions that lie at the heart of political science. He analyses a range of city constitutions- oligarchies, democracies and tyrannies. He seeks to establish the strength and weakness of the system and decides which are most effective in theory and in practice. In Book VI he answers questions on how constitutions function best and how democracies may be preserved. *The Politics* remains an outstanding commentary on fundamental political issues and provides fascinating insights of liberal ideas.

In the light of these arguments one can say that Liberalism has evolved over a period of time. Industrial Revolution, Renaissance period, Scientific Revolution et al and the ideas were exported during the Imperialism and Colonialism. Fukuyama's "*The Origin of Political Order*" talks from the Industrial Revolution to the Globalization of Democracy and Liberal ideas plotting the development of the state and rise of Democracy. From Industrial Revolution, French Revolution, American Revolution, Unification of Germany under Otto Van Bismark and Italy under Mazzini. How Democracy and liberal ideas/liberal democracy spread across the globe is covered in his masterpiece.

3. NEO-LIBERALISM:

Moving away from Historical evolution there are various intellectual contribution by scholar to understand Liberalism and its theory mechanism. As According to C.B Macpherson "*Liberalism was fitting, even necessary, for the development of capitalist market society, from the seventeenth century on: it antedates the introduction of democratic principles and institution, which did not amount to anything before the nineteenth century. The other is the concept of man as an enjoyer and exorter of his uniquely human attributes or capacities, a view which began to challenge the market view in the mid nineteenth century and soon became an integral part of justifying theory of liberal democracy.*" By this one can see how Liberalism has well fitted in capital market economy and democracy where rights of the individuals are taken into consideration. Hegelian philosophy of *thymos* can be added to this argument. According to him, human beings have natural needs and desires for objects outside them such as shelter, food etc and also preservation of their body. Men desires the desire of other men, this is where he wants to be recognized. He wants to be recognized as a human being with some worth and dignity. With this Hegel sees it as Human Freedom which was visualized in French and

American Revolutions where people were looking for *recognition*.

Thinkers like Kant believed that with the establishment of republican form of government in which leaders or rulers are held accountable to the population which would protect their rights. This would further lead to peaceful international relations because the ultimate consent of war would be in citizen's hand. In *Perpetual Peace*, Kant defines to have representative government in which legislature is separated from executive. This responsible government would be more inclined to promote peace and commerce. With the end of World War I International Relations saw a First Great Debate between the traditionalism that was Realist versus Liberalism. Liberalism believed that wars were created by military and undemocratic governments for their own interest. Thinkers like Kant, Doyle, Rousseau, Cobden, Schumpeter believed that wars were outcome of dictators whereas people were peace loving. For them, War was a disease which human beings themselves had capacity to cure and to cure this twin medicine would do it and that was *Democracy and Free Trade*. One can take an example of Inter War period where Protectionism was followed which further led to WWII. However with the adoption of *Democracy and Free Trade* in post WWII there were fewer wars fought among the countries. Liberals believed that states with individual rights such as equality before law, free speech would not lead to a conflict.

Even with adoption of liberal ideas there were conflicts during the Cold War, such as Vietnam wars, Korean War, Afghanistan invasion, invasion of Hungary, Czechoslovakia and others. This was a battle between two ideologies, one was Capitalism which heavily followed liberal ideas and the other was Communism highly influenced by Marxism, Leninism and other philosophy.

In 1991 Soviet Union disintegrated which led to formation of new countries where new borders were drawn. Francis Fukuyama wrote a book *End of History* where he stated that it was end of mankind's ideological evolution. According to him, western path to modernity no longer faces a universal challenge of the kind posted by communism and this will eventually command global consent. Moral and political truths will oblige all societies. Spread to capitalism no longer faced resistance. This constituted inside-out approach in IR where the exogenous behavior of states could be explained by understanding endogenous behaviors of political and economic arrangements. Neo-liberalism had engulfed major countries across the globe and its theory mechanism shaped the behavior of those countries. Former Soviet Socialist states were becoming more inclined to neo-liberal mechanisms where countries like Belarus, Baltic States, Ukraine and some Central Asian States

became more of democracy in their nature. Around 61 countries worldwide adopted liberal democratic principles. Country like India adopted the policy of LPG post 1991. There were regional institutions and economic forum establish where countries became a part of it. EU, SCO, BRICS, AU, ANZUS, NAFTA and other such institutions determined the behavior of the states. This shows that Neo-Liberal principles were being employed by many countries across the globe. As Neo-Liberalism is understood as positivist approach or behavioral and is an extension of Liberalism in scientific way. It is the structure which focuses on economic character, global economy and political structure. Neo-Liberalism is an overarching structure of capitalism and under this structure there are many economic institutions such as IMF, WTO, INGO, TNC, MNC et al. They highlight interdependence as complex interdependence which emerges out of the structure that shapes the behavior of States as one can see how European Union, WTO, SAARC and other international organizations determines the behavior of States. Membership of UN, IMF, WTO increased post 1991 in global arena. Now one may think how it happens? So many countries engulfed by Neo-liberal mechanism. There has to be something significant which takes place from the base level. In order to understand this one has to look into deep nature of such foundation.

The degree of cooperation among international actors whether they are liberal states, international institutions or civil society organizations, is always contingent; such cooperation will continue to expand Neo-Liberal and Liberal principles. One can take an example of European Integration from Economic Coal Community to European Union under Maastricht treaty. In European Union it was the involvement of all the three actors to make EU a reality.

Slaughter in her “*global government networks*” has explained the transnational networks which she describes arise from the routinization of contacts between bureaucracies. She says this can be found in European Court and UN. Neo-Liberal ontology is focused on individuals who have moral freedom to make specific choices of their goods and they can also protect other’s rights to do the same. This domestic cooperation is accompanied by cooperation at international level too.

Post Cold War era saw great transformation in IR where the membership of countries in UN, WTO and other bodies have increased so did free trade. Free trade according to Neo Liberals was a peaceful means of achieving national wealth. As according to the theory of comparative advantage by Ricardo each economy would do well if it pursues self sufficiency by developing or focusing on goods which they have advantage over. Free trade would also break down the divisions among states and unite people in one

community. Artificial barriers of commerce deform perceptions and relation between individuals causing tension in International Relations. Free trade expands the contact between people and level of understanding therefore increasing international friendship. European Integration is one good example where there is free flow of labor and trade strengthening free movement among European Countries. Such spread of markets would place society on a new track. Free movement of material production and free exchange would bring human progress. Europe was inspired by the belief that the probability of conflict between states would be reduced by creating common interest in trade and economic cooperation.

David Mitrany pointed out in his theory of *Functionalism* where an integration in one region be it economic integration or political integration it spills over to neighboring geographical location and those new area would be a part of such integration. This was realized in 1992 with a signing of Maastricht Treaty which led to formation of European Union with more member countries from Eastern Europe and former Yugoslavia. However, Fukuyama and Keohane built their arguments in development of *Functionalism*. They said with membership in International institutions, states can broaden their concepts of self defense in order to broaden their concept for the scope of co-operation.

In post cold War period, Neo-liberalism did engulf major portion of the globe as theorizing world politics which was not seen during the cold war. States were indulged in some or other international or regional cooperation and the mechanism which drove them to a particular direction was influenced by Neo-liberal ideas. Adam Smith’s *Wealth of Nations* pointed out that there has to be division of labor, productivity and free market and this point has been extensively followed by countries in post cold war period. As Adam Smith had also assumed that *invisible hand* which is less interference by the government in market economy or political economy would generate more wealth in a state. This assumption has been actualized in post cold war era where government plays a minimal role in market and they frame policies which is favorable for market economy in a country. According to the Keynesian philosophy, state intervened in the economy to level business cycle and provides a great degree of security and maintains full employment. Neo-liberals who had always favored free play of market forces and minimal state role in economy of the country or market economy in simple word one may call it as *laissez faire*. In post cold war period globalization has become a widespread phenomenon where it has engulfed major countries across the globe. The very term globalization is understood as an expansion of market economy, free movement of people across

the globe where they are not distinguished within a boundary. Global culture, language, products, media have expanded across the globe where the very foundation lies in Liberal/Neo-liberal principles. Neo-Liberals put forth that commercial traders should be permitted to exchange goods and money without concert for national barriers and there should be least legal constraints in international commerce and no artificial protection or subsidy constraining the freedom to exchange. An open global market, where goods and services can pass freely across national boundaries should be the objective of policy makers in all countries. They emphasize on free trade and says that only free trade will maximize economic growth and generate the competition that will promote the most efficient use of resources people and capital.

The initiative of Neo-liberals can be seen in many developing countries with manufacturing industries. Relocation of transnational manufacturing centers to what are often low wage, high repression areas which are regions with low health and safety standards where organized labor is frequently suppressed or illegal. Transnational corporations are becoming increasingly skilled and finding ways of avoid national borders in their search for cheap labor and access to raw materials. The whole comprehension of Neo-Liberal ideas has engulfed the major portion of globe.

4. DEVELOPMENTS AFTER COLD WAR:

Neo-Liberalism has theorized world politics post cold war where there were various economic and political transformation after the end of cold war. However, before moving towards the political and economic development after cold war one must understand the development within USSR. It was after the leadership of Leonid Berzhnev that USSR was under transition period where no major developments took place. It was during the period of Gorbachev political and economic transformation took place in USSR. During his rule he came up with the policy of *glasnost*-openness and *perestroika*- reconstruction of political and economic system. Since USSR was engulfed with various problems, economy especially in agricultural sector began to fall and country lacked technological advancements and people were buying low quality products and suffered from shortage of freedom. This made Gorbachev to come up with these policies to democratize the communist party. Perestroika policy's goal was to create semi free market to function and Glasnost policy's goal was to strengthen people's participation in political process through freedom of expression. These policies eventually led to the demise of USSR as resistance against the government grew not only in USSR but in Eastern European satellite states as well.

Samuel P. Huntington in his book "*Third wave of democratization*" said that the liberal democratic wave will engulf almost all the countries across the world. It is a theory of why democracy waves will occur, how

democracy is rooted in the interest of specific social groups; social mobilization as a key link between economic change and democracy. Political parties as key agents in the struggle over democracy. Now one may ask a question; why did democracy spread and why might it spread in near future? To answer this one can say that democratic institutions are driven by multiple causes, one of the most significant is economic growth. Economic growth is linked with Democracy in a multistage process. Economic growth produces or engenders social mobilization through spreading division of labour (Adam Smith's Wealth of Nation) by means of spreading division of labour and social mobilization in return demands for both rule of law and greater democracy. The democratic transition in Brazil, Argentina, Peru, Bolivia, Chile, Philippines, South Korea and Eastern Europe was because of such multistage process.

In 1989 Solidarity and Peasant Party formed a coalition in Poland and defeated Communist party in Democratic Election. In 1990 Germany was unified. In Hungary, Free and fair election was declared in 1990 where Democratic Forum won by crushing victory and Joseph Antall comes to power and eventually the end of communism in Hungary. In 1989 Czechoslovakia communist regime was defeated where Alexander Dubcek came to power. Similarly political transformation was seen in Romania, Estonia, Latvia, Lithuania, Ukraine, Yugoslavia and other countries. There was a massive fallout of communist regime across Eastern European Countries.

One can understand this by understanding base where people were more deprived of economic rights and they were looking for better economic condition this is where the notion of democracy came about which was felt after the introduction of Glasnost and Perestroika which eventually led to the dissolution of USSR. During the post cold war period, economic development was felt as the third world countries were economically deprived, poverty was there, technological backwardness, lack of industrialization etc. within the myriad of these problems, Neo-Liberal institutions (IMF, WTO, WORLD BANK) started promoting liberal principles through their policies and created a feeling that liberalism would bring an end to economic problems. Institutions like GATT was transformed into WTO in 1994 where 156 countries became a member of WTO and now the membership have grown to 164. Communism had come to an end and there was no ideological rivalry so these ideas became widespread and the third world countries or South believed that joining in these institutions and opening up their economy would help them to be economically developed. These countries were looking for capital investment, proper education, accumulation of capital, improve their technologies, political stability et al.

There was a massive transformation in world politics after the cold war came to an end. Latin American countries were engulfed by debt crisis where they borrowed from U.S banks which later led to debt crisis in the early 1980's. After Cold war neo liberal institutions came for the rescue as countries like Argentina opened up their economy for international market under the leadership of Menem and pegged Argentine peso to U.S dollar and opened up Argentine economy to international free market because of inflation and debt crisis. Brazil under the leadership of Collor de Mello and Lula opened up their economy and worked with IMF to ease the problems of inflation and unemployment which was a result of austerity measures adopted previously during the crisis. In Mexico the country was under recession for almost sixty years, in an attempt to revive economy Mexico worked out with neo-liberal institutions(IMF and World Bank) to give access to additional credits and simultaneously it worked with countries like U.S and Canada under NAFTA benefit the country. There was flexibilization which increased productivity and international competition. In the Indian Subcontinent countries like India adopted the policy of LPG(Liberalization, Privatization and Globalization) which increased the countries participation in global international market. This coincided with demise of USSR where India was now taking an active part in international trading regime and its trade has increased ever since. With India was now trading with other countries like France, Israel, U.S, Russia and others. Capital investment, flow of FDI, MNC, TNC have increased ever since. In 1990 at Thailand a consensus emerged among the political party, military and business elites on the priority on keeping the country on the more democratic course. In Malaysia, Prime Minister Mohamad introduced new policies to revitalize the economy where there was privatization and expansion of industries through increased foreign investment. With this one can see the expansion of liberal values and between 1980-2010, the number of democracies around the world increased from 35 to nearly 120. This shows the application of Neo-liberal ideas and how it changed the Global politics after the Cold War.

After the Cold War, Warsaw pact and comecon also collapsed and NATO in the other hand has magnetized countries from Eastern Europe. Albania, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia joined NATO after Cold War. Thus, strengthening the hold of NATO. Since the end of Cold War, NATO has been involved in various crises across the Globe. Ukraine crisis, Armenian crisis, African Crisis, West Asian crises are some of the region where NATO has actively participated in ease out the conflict. Afghan crises, Libyan crises, Bosnian and Kosovo intervention, Iraq mission et al are the major areas where NATO involvement was seen after the Cold

War. NATO countries have been trying to install democratic regimes in these areas which are Liberal/Neo Liberal values.

There has been increase in Non State Actors after cold war where they have come to play a bigger role in IR. The increase in World Public Opinion has made an impact on the countries and their foreign policy. The countries have to take world public opinion into consideration before making any decision. There have been an increase in mass media eg; CNN, BBC, Star TV, VOA and other such television networks have been increasing and engaged in cultural invasion of the life of third world countries.

There has been an increase in regional organization as one has witnessed the establishment of organizations like NAFTA, EU, AU, SCO, ASEAN and others. The Eastern European former communist countries became a part of European Union which is an institution that promotes neo-liberal values. The whole idea of EU is strengthening trade, free flow of labor and trade without barriers. EU adopt free trade policies which the countries adopt. ASEAN was formed in 1967 in Bangkok Declaration and its first charter was drafted in 2008. The membership of ASEAN has increased and the main objective of ASEAN is accelerate economic growth where the countries actively participate in trade etc. this shows how with the increase in membership which was seen after the cold war economic participation has increased between the countries. NAFTA is another trading bloc which entered into force in 1994 where they established trilateral trade bloc in North America. Mexico joined this bloc in 1994 and trade and economic participation have increased among Canada, U.S and Mexico. African Union was founded 2002 which replaced OAU with a membership of 54 countries AU looks to strengthen economic interaction between the countries, promote democratic principles, good governance etc. African Union have been looking forward for creation of common African currency like the EU. SCO was formed in 1996 which includes China, Russia and other Central Asian Countries and the main objective of SCO is to cooperation on security, economic cooperation, military activities and cultural cooperation. Their objective is to establish a free trade in SCO and huge flow of goods in the region.

In the light of above discussion it is clear at these regional organization look to establish free trade among the member countries which is a principle of neo-liberalism. The idea of promoting democracy, establish free trade et al shows how the notion of neo-liberalism have become widespread after the cold war which is visualized in these regional organizations.

Another major development post cold war is the era of multipolarity where countries have become economically and politically powerful. Unlike cold war where the division was between two ideology, post cold war period seem to be different where powerful countries have emerged post 1991. Countries like China, Brazil, India, South Africa, Japan and others have emerged as a new power where they can equally challenge the capitalist countries. BRICS can be taken as an example in this regard which was coined in 2001 where the countries like India, Russia, China, Brazil and South Africa have formed a bloc where they look to engage for development where they have created New Development Bank which would support private and public projects through loans and promote infrastructural developments.

Neo-Liberal institutions are soul of globalization Neo-Liberalism has become a widespread mechanism post cold war and it has shaped or theorized world politics engulfing countries. It granted freedom to the entrepreneurs to establish any industry or trade within their country or abroad eg: expansion of KFC, Mac D, Red Bull etc. It gave way to free trade relations among nations, each grants most favored nation status to other states and keeps it economic activity alive. It liberalized import-export activity and free flow of goods and services across boundaries. It keeps the state away from ownership and means of production. It encourages state to come up with fiscal and financial policies to strengthen free world trade. Today, no country can live in isolation as it depends on other countries for economic development et al. World has been transformed where the countries are now seen trading with one another. Countries have been actively participating in institutions like IMF, World Bank and WTO. Without neo liberal institutions, economic cooperation between the countries are not possible. The whole idea of free trade and democracy is a construction of neo-liberalism and countries do not survive without trading with other countries in the era of Globalization. Neo-Liberal values are adopted by regional institutions as well. They adopt the idea of free trade, promote democracy et al which have been discussed above. This is a clear indication of Neo-Liberal ideas becoming the soul of Globalization. Neo-Liberalism has spilled over to other countries. Capitalist mode of production has conquered the world. Domestic mode of production and International mode of production has merged thus making an impact on theorizing IR. Civil society in post cold war era is highly influenced by Neo-Liberalism and this has moved beyond borders as it got the ability to shape economic development of state and international institutions. This is why one has witnessed the flow of Neo-liberal ideas like Free Trade, free movements of labor etc being employed by different countries across the globe. Neo-Liberalism has reshaped the Globe through institutions like IMF, World Bank etc.. They have successfully theorized World Politics post cold war. One can see the increase of interdependence. U.S depends upon OPEC countries for Oil and Energy

and so does the other countries like India where it depends on West Asian countries for energy and oil. U.S dollar value depends on Indian Rupee and Japanese Yen and tries to maintain its position in international economic system.

North-South dialogue and South- South cooperation have been increasing after 1991. After the failure of NIEO for restructuring the trading system, there is an increase in dialogue between North and South. South-South cooperation is also increasing where the countries are forming regional organization to increase economic and political relations among them.

Another important trend is increase in number of non state actors like NGO's, international organizations, multinational organizations, Peace Groups, Human Rights groups. They engage in actions which transcend national units, bridging nation states into interlocking economic, social, cultural and political ties.

The explosion of Free Trade agreements and organization such as NAFTA, APEC, WTO and growing importance of international organization such as IMF and WORLD BANK is indication that Neo-Liberalism has expanded post cold war era. These are influential international bodies which has engulfed developing countries as well. They force them to lower their barriers and come up with their own norms. IMF and WORLD BANK make provision for development known as "*Structural Development Programmes*" which can be seen employed in Developing South.

IMF, WTO and World Bank have accelerated their reach to other countries after the post cold war era. They provide loans, assistance and developmental programmes to developing countries for their economic development. James D. Wolfensohn became the president of World Bank in 1995 where he revised and started giving loans to the developing countries. With his entry the availability of loans increased which was given to the developing countries. One cannot disregard Neo Marxist Theorist like Immanuel Wallenstein and A. G Frank for better understanding though the relevance of their arguments have diminished. *Dependency theory* and *World System Theory* have explicated how the developed countries exploit the developing countries. What one need to understand is that the developing countries itself acts as a barrier to development. One can take an example of Quality Assurance Group which was developed by Wolfensohn and this QAG determines the lending policy of banks. World Bank before granting loans has to get approved by QAC. It was in 1996 when QAF examined 150 projects across 14 major areas. In Brazil they found that deforestation, illegal timber cutting and illegal settling in protected areas was taking place and little was done for health and sanitization for marginalized people. Itaparica Dam

resettlement project of WB gave \$63,000 to resettle the families but they did not receive the amount as it got disappeared in corruption. QAG said that corruption was done by the bank borrowers in countries where they were receiving loans. Similar was the situation with countries like Indonesia, Azerbaijan and other countries.

In the light of above arguments one can say that Neo-Liberalism have bridged gap between Developing and Developed countries. Institutions like IMF, World Bank and WTO may be criticized by scholars for exploiting the developing countries but it is to be noted that with the existence and implication of the neo-liberal ideas financial crisis in Latin America, Asia, Europe was solved. The whole idea of development, trade, democracy is what Neo-Liberals put forth. Even if a country does not become a part of such institutions, they adopted the ideas of Neo-Liberalism to solve the issues. IMF, World Bank has been active in developing countries. In countries like Africa they have provided funds, development programmes et al where the beneficiaries are the people because they receive education, health care, sanitation, employment under developmental programmes such as dam construction etc. The flow of FDI and foreign companies created job opportunities to the people.

5. NEO-LIBERALISM AND INTERNATIONAL CONFLICTS:

Now, one may raise a question whether Neo-Liberalism can bring an end to International Conflict or not? Under the structure of Neo-liberalism there are many International and regional institutions where countries have come together to take part in it. Institutions like IMF, WTO, World Bank and others have brought both developed and developing countries together so that both could benefit from International Trade. In post cold war era, Neo-Liberal wave engulfed many countries as they opened up their economies with an entry of phenomenon called Globalization. With this, countries opened up their economic and world trade was taking place at a higher level which was not seen during the cold war. Countries shares notion of Free Trade which is common in all the countries hence there are less possibility of International Conflicts. In Europe after countries became part of EU in 1992 and by 1996 membership had strengthened leading to less possibility for any conflict to occur. Similarly organizations like BRICS and others brought countries together which opened forum for dialogue with the countries.

However, even with such developments conventional wars are taking place. China's threat to India and South East Asian Nations is a clear indication of indirect conflicts taking place though they share same notion under the banner to Neo-Liberalization. Leaving

apart these indirect conflicts over a territory even same notion does exist among the countries.

There is new war of ideology brewing and has now become a great war of ideology post Cold War era. In Fukuyama's "*political order and political decay*" he argues how the idea of liberalism came about with industrial revolution and how it was spread where he talks about globalization of democracy. He analyses the situation in Middle East and says how Democracy and its values were not adopted in the region. After the end of the Cold war, armed non state actors became significant in the international arena. These actors believed in the roots of Islamic Fundamentalism under strict Shariah Law, which infuses religious values and practices in all spheres, especially law, politics and education restoring jurisprudence of Islam and the Fundamentalist. They combined Islam and politics, creating a formidable force known as Islamic Fundamentalism which was characterised by the emergence of a new ideological warfare, Islam Vs the West (West comprises of Neo-Liberal values).

This new ideological warfare was visualized during 9/11 attacks where Al Qaeda under the leadership of Osama Bin Laden has become a formidable force in post cold war era. Neo-Liberalization wave engulfed the major countries across the globe but it failed to absorb the ideology in the Arab states. West countries have been crying out to its allies "*fight against terrorism*" to defeat this new threat which has emerged. Western countries have been trying to impose Liberal ideas to these countries but have failed consistently but instead conflicts have emerged in post cold war era. Before, communism had been a threat to Liberalism and now Islamic Fundamentalism driven by Wahhabism and Salafism is a new threat to Neo-Liberal values. Samuel P. Huntington in his book "*Third wave of democratization*" said that the liberal democratic wave will engulf almost all the countries across the world but this wave was not visible in Arab states of West Asia and others because the base process of development as I have explained earlier citing Cox did not appear here. Rather radical Islamic interpretation evolved and shaped the states in that manner. Similarly Samuel P. Huntington in his book "*Clash of civilizations*" had predicted that new warfare would emerge and that would be more of cultural where the velvet curtain (cultural curtain) have divided West and Islamic Civilization and this is a fault line between the two where Islam would be in one side and Western values and countries on the other. This has been actualized in current world politics.

Arab Spring is called as *forth wave of democratization* by scholars. Arab spring is wave of democratic protest which engulfed West Asian and North African countries. After the toppling of

dictators in the region like Quadaffi, Ben Ali and others Western countries believed that they could impose Neo-Liberal ideas in the region but instead radical Islamic Fundamentalist emerged. The rise of ISIS and other Islamic Fundamentalist group are result of force imposition of Liberal and Neo-Liberal values in the region. With the emergence of such groups International conflicts are not going to end anytime soon. Neo-Liberalism has not become successful in easing international conflicts.

6. CONCLUSION:

In the light of whole discussion it is to be noted that Neo-Liberalism has evolved over a period of time and in order to be access Neo-Liberalism, transformation have to take place from the base. Neo-Liberalism includes the structure of world politics and determines the behavior of State under institutions like IMF, World Bank and others. There has been reduction in economic problems across the globe. Disparity has decreased between developing countries and developed countries. Talking about international conflicts, Neo-Liberalism has up to some extent solved problems among States through open dialogues and the common notion of free trade which they share but indirect conflicts still exists among those countries too. Imposition of Neo-Liberalism has procreated docile situations in countries in Arab world where new threat has emerged which has challenged the western countries and their values. Post 9/11 and Arab Spring is a clear indication of that.

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