

A Keynesian fourth paradigm: Re-embedding the market and the state for a new American grand strategy

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ABSTRACT

This paper proposes a Keynesian 'fourth paradigm' for American grand strategy to overcome the stalemate between realism, liberalism and constructivism in International Relations. Drawing on close reading of Keynes's major works, contemporary IR scholarship and recent policy debates, the article combines intellectual history with analytical synthesis to reconstruct Keynes's international thought and translate it into a coherent strategic framework for the United States in the twenty-first century. The analysis shows that a Keynesian paradigm re-embeds markets within social and political institutions, treats economic stability and full employment as preconditions for durable peace, foregrounds uncertainty and 'animal spirits' in state decision-making, and advances a model of managed multilateralism that constrains both surplus and deficit states; it also demonstrates how this perspective exposes and resists the 'military-narrational complex' that privileges dramatic war stories over prudent statecraft. The article further finds that a Keynesian grand strategy would orient US policy towards reform of global economic governance, construction of a new embedded liberalism at home and abroad, and a pragmatic, cooperative internationalism that prioritises economic statecraft and narrative scepticism over military dominance. These findings suggest that thinking more like Keynes could help American policymakers design a grand strategy that is both analytically richer and more practically suited to managing great-power rivalry, climate change, financial instability, and populist backlash in a turbulent world.

Keywords: *Embedded liberalism, Global economic governance, Grand strategy, International relations theory, Keynesianism, Military-narrational complex, US foreign policy.*

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Highlights of this paper

- This paper reconstructs John Maynard Keynes's international thought into a coherent 'fourth paradigm' of American grand strategy that transcends the conventional realist-liberal-constructivist divide.
- It shows, through an integration of intellectual history and contemporary IR analysis, how a Keynesian lens re-embeds markets in social institutions, treats full employment and stability as preconditions for peace, and exposes the distortions of a "military-narrational complex" in U.S. foreign policy.
- It argues that adopting a Keynesian grand strategy would reorient U.S. policy towards reforming global economic governance, rebuilding embedded liberalism at home and abroad, and prioritising economic statecraft and narrative scepticism over military primacy in managing twenty-first-century crises.

1. INTRODUCTION

America's grand strategy is in a state of profound turmoil. The post-Cold War consensus, a period defined by the apparent triumph of liberal democracy and market capitalism, has fractured under the weight of seismic power shifts, the steady erosion of international institutions, and a potent resurgence of nationalist and populist sentiments globe. As [Goddard and Kertzer \(2025\)](#) argue in their timely intervention, the ensuing debate in Washington is essentially a contest between the three dominant paradigms of International Relations (IR) theory: realism, liberalism, and constructivism. Each offers a distinct diagnosis of the present malaise and a corresponding prescription for America's role in the world. Realists, such as [Samet \(2025\)](#), survey the landscape and see a definitive return to great-power competition, advocating a focused, confrontational strategy to counter the ambitions of China and Russia. Liberals, represented by thinkers like [Rapp-Hooper \(2020\)](#), counsel a recommitment to the post-war liberal order, arguing that the network of multilateral institutions and free trade, though battered, remains the essential framework for global stability and American interests. Constructivists, including prominent voices like [Applebaum \(2020\)](#), view the current moment as a fundamental contest of norms and values, urging the United States to actively defend the rules-based international order against the rising tide of authoritarianism.

While these paradigms provide the intellectual scaffolding for much of the current debate, they share a common and increasingly debilitating limitation: they often fail to capture the full complexity of the global landscape. [Goddard and Kertzer \(2025\)](#) compellingly argue that these frameworks can act as 'pinhole cameras', offering a narrow and often distorted view that limits strategic imagination. They tend to treat states as the sole primary actors, ignoring the profound influence of individual leaders, domestic political pressures, and non-state actors. Furthermore, these paradigms can become self-fulfilling prophecies, shaping the very geopolitical reality they purport to describe. The result is a cacophony of strategic recommendations built on fundamentally different and often unacknowledged assumptions, leading policymakers to talk past one another.

This intellectual stalemate is made more perilous by what [Samet \(2025\)](#) has termed the 'military-narrational complex'. This is a world in which 'war presents too good a story not to tell, over and over again', and where the most compelling narrative often triumphs over the most reasoned argument. The inherent biases of the established IR paradigms—the realist's tragic narrative of perpetual conflict, the liberal's heroic tale of democratic crusades—make them susceptible to this complex, channelling strategic thought towards the seductive but often disastrous logic of war. As [Samet \(2025\)](#) warns, we have become 'gullible consumers of fables, swept away by the power of fictions yet ignorant of their limits, constraints, and capacity to delude'.

To break this impasse, this paper proposes a turn to a 'defunct' thinker whose ideas, in the famous words of [Keynes \(1936\)](#) himself, still hold 'practical men' in their sway. While Keynes is primarily remembered as the architect of modern macroeconomics, his thinking on international affairs, forged in the crucible of two world wars and the Great Depression, offers a powerful and surprisingly relevant framework for grand strategy. This paper

argues that a Keynesian approach constitutes a 'fourth paradigm' for IR, synthesising elements of realism, liberalism, and constructivism while addressing their most significant blind spots. It provides a more holistic understanding of the international system by re-embedding the economic sphere within the political and social, and by placing the management of uncertainty and human psychology at the heart of statecraft.

This paper will proceed in four parts. First, it will examine in greater depth the limitations of existing IR paradigms, showing how the military-narrational complex exploits their analytical gaps. Second, it will reconstruct a Keynesian paradigm for IR, drawing on his major works, his voluminous correspondence, and his direct experience as a policymaker at the heart of the British Empire. Third, it will translate this paradigm into a coherent and detailed grand strategy for the United States in the current global context, offering concrete policy proposals for a new era of American foreign policy. Finally, it will conclude by arguing that a Keynesian approach, one that is both economically literate and narratively self-aware, offers the most promising path for the United States to navigate a new world order, one that is both realistic in its assessment of power and idealistic in its pursuit of a more stable, prosperous, and peaceful global community.

1.1. The Limits of Existing Paradigms and the Allure of the War Story

The current paralysis in American grand strategic thinking stems from an over-reliance on the three dominant paradigms of IR theory. As [Goddard and Kertzer \(2025\)](#) lucidly demonstrate, realism, liberalism, and constructivism, while offering valuable insights, have become intellectual straitjackets that constrain creative thinking and hinder effective policymaking. Each paradigm operates on a set of core assumptions that, while providing a lens for interpreting the world, also create significant blind spots. Compounding these inherent limitations is a deeper, more insidious problem identified by [Samet \(2025\)](#): the pervasive influence of the 'military-narrational complex'. This complex, in which 'war presents too good a story not to tell, over and over again', preys on the analytical gaps within each paradigm, channelling strategic thought towards the seductive but often disastrous logic of conflict.

Realism, with its emphasis on anarchy, power politics, and the inevitability of conflict, offers a sobering corrective to naive idealism. It correctly identifies the competitive dynamics inherent in the international system and the security dilemmas that states face. However, its singular focus on material power and its treatment of states as black boxes can lead to a deterministic and overly pessimistic view of the world. Realism struggles to account for cooperation, the influence of domestic politics, and the role of non-state actors. As [Goddard and Kertzer \(2025\)](#) note, realists were ill-equipped to foresee the transformative impact of a leader like Mikhail Gorbachev or the rise of transnational terrorism. In the current context, a purely realist approach risks turning the new era of great-power competition into a self-fulfilling prophecy by neglecting opportunities for collaboration on shared challenges such as climate change and pandemics. This is where the military-narrational complex finds fertile ground. The realist narrative of perpetual struggle and the zero-sum competition for power is, as [Samet \(2025\)](#) notes, a 'hawk's tale' with a powerful, almost mythic, appeal. It simplifies complex geopolitical realities into a straightforward story of us versus them, providing a clear and compelling, if often misleading, action. The realist's world is a tragic stage, and on that stage, war is the most dramatic and compelling performance.

Liberalism, with its commitment to democracy, free trade, and international institutions, offers a more optimistic vision of the international order. It correctly identifies the pacifying effects of democracy and the potential for economic interdependence and multilateral institutions to foster cooperation. However, liberalism's universalist assumptions can blind its adherents to the realities of power politics and the persistence of nationalism and cultural differences. The liberal belief in the inevitable triumph of democracy and free markets has been

challenged by the rise of authoritarian capitalism and the backlash against globalisation in many Western countries. Furthermore, as the provided text highlights, liberals can be slow to recognise the security concerns of other states, as exemplified by the debate over North Atlantic Treaty Organisation (NATO) expansion (Goddard & Kertzer, 2025). The liberal narrative, too, can be co-opted by the military-narrational complex. The story of a 'good war' fought to defend democracy, liberate the oppressed, or uphold a 'rules-based order' is powerful. It allows liberals to reconcile their idealistic principles with the use of military force, often with disastrous consequences. The wars in Iraq and Afghanistan, justified in large part by liberal narratives of democracy promotion and humanitarian intervention, are stark reminders of the dangers of a liberalism that is not sufficiently critical of its own storytelling.

Constructivism, the newest of the three paradigms, offers a valuable corrective to the materialism of realism and the universalism of liberalism. By emphasising the role of ideas, norms, and identities in shaping state behaviour, constructivism provides a more nuanced understanding of international politics. It correctly identifies that the world is not made solely of material things but also of shared beliefs and understandings. However, constructivism can be vague and difficult to apply to concrete policy problems. Its focus on the ideational realm can sometimes neglect the hard realities of power and interest. Moreover, as Goddard and Kertzer (2025) point out, constructivism, like the other paradigms, remains state-centric and struggles to account for the influence of individual leaders and non-state actors. The constructivist focus on norms and ideas is, in a sense, a direct engagement with the world of stories. However, without a critical edge, constructivism can become a tool for analysing the dominant narratives, rather than challenging them. It can explain *why* certain stories are powerful, but it does not always provide the tools to resist them. The military-narrational complex thrives on the construction of identities and the framing of threats, and a constructivism that is not self-aware can inadvertently reinforce the very narratives it seeks to understand.

Ultimately, the problem is not that these paradigms are wrong, but that they are incomplete (see Table 1). Each offers a partial view of the world, and by treating them as mutually exclusive and exhaustive, policymakers are left with a set of impoverished choices. The current debate on American grand strategy is a testament to this intellectual cul-de-sac. To move forward, a new paradigm is needed, one that can integrate the insights of the existing three while transcending their limitations. This is where the thought of John Maynard Keynes becomes so vital. A Keynesian paradigm, with its focus on uncertainty, psychology, and the deep connections between economic stability and political order, offers a way to break free from the grip of the military-narrational complex and to imagine a different kind of grand strategy, one that is less about telling good war stories and more about building a just and lasting peace.

Table 1. A Comparative analysis of dominant IR Paradigms and the Keynesian alternative.

Paradigm	Core actors	Key concepts	View of the International System	Susceptibility to military-narrational complex
Realism	States	Power, Anarchy, National Interest, Security Dilemma	A tragic struggle for power and survival	High: The narrative of inevitable conflict and zero-sum competition is a powerful 'hawk's tale'.
Liberalism	States, International Institutions, NGOs	Cooperation, Democracy, Free Trade, Interdependence	A society of states with potential for progress and peace through institutions	Moderate: The narrative of a 'good war' for democracy or human rights can justify intervention.
Constructivism	States, Transnational Networks	Ideas, Norms, Identity, Social Construction	A world shaped by shared beliefs and identities	High: Explains the power of narratives but can lack a critical edge to resist them.
Keynesianism	States, International Institutions, Economic Classes, Individuals	Economic Stability, Uncertainty, Animal Spirits, Embedded Liberalism	An interdependent political economy that must be actively managed	Low: Actively promotes scepticism of simplistic narratives and prioritises economic statecraft over military solutions.

1.2. A Keynesian Paradigm for International Relations: Uncertainty, Stability, and Managed Cooperation

John Maynard Keynes offers not merely an economic theory but a comprehensive paradigm for IR that transcends the limitations of realism, liberalism, and constructivism. Forged in the crucible of two world wars and the Great Depression, his framework is a sophisticated analysis of how economic stability, psychological factors, and international institutions interact to shape the prospects for war and peace. It re-embeds the economic sphere within the political and social spheres, offering a more holistic and practical guide to statecraft in an uncertain world. A Keynesian paradigm is built on three core pillars: the primacy of economic stability as the foundation of peace, the centrality of uncertainty and psychology in shaping state behaviour, and a vision for a managed multilateralism that balances international openness with domestic welfare.

1.3. The Economic Foundations of Peace: Beyond Versailles

At the heart of Keynes's international thought is the conviction that a stable and prosperous domestic and global economy is a prerequisite for a lasting peace. His searing 1919 critique of the Versailles Treaty, *The Economic Consequences of the Peace*, was not merely an economic argument; it was a profound statement about the political consequences of economic despair. (Keynes, 1919). Keynes understood with chilling prescience that the vindictive reparations and economic penalties imposed on Germany would cripple its economy, breed deep-seated resentment, and create fertile ground for political extremism. As he wrote:

"The policy of reducing Germany to servitude for a generation, of degrading the lives of millions of human beings, and of depriving a whole nation of happiness should be abhorrent and detestable—abhorrent and detestable, even if it were possible, even if it enriched ourselves, even if it did not sow the decay of the whole civilised life of Europe (Keynes, 1919).

This was a direct challenge to the prevailing realist logic of the time, which held that weakening a rival was a primary strategic objective. Keynes argued, instead, that a prosperous Europe, with Germany integrated as its economic engine, was essential for the stability of the entire continent. This perspective fundamentally reframes the concept of national interest. It challenges the narrow realist focus on the relative balance of power by asserting that the absolute conditions of economic life and the distribution of prosperity are as important as, if not more important

than, the distribution of military capabilities. It also tempers the classical liberal faith in laissez-faire by demonstrating that the *quality* and *stability* of economic relations—their perceived fairness and their contribution to domestic full employment—matter more than the sheer volume of trade. As his biographer [Skidelsky \(2003\)](#) notes, Keynes believed that “a disordered international money system was a major cause of war”. For Keynes, economic policy was therefore the first line of defence for any sound foreign policy.

1.4. Uncertainty, Animal Spirits, and the Psychology of Statecraft

Keynes's most revolutionary contribution to economics, the concept of fundamental uncertainty, has profound and largely unexplored implications for IR. In *The General Theory of Employment, Interest and Money*, [Keynes \(1936\)](#) distinguished sharply between risk, which can be calculated and assigned a probability, and uncertainty, which is the unknowable, the incalculable future. In the face of such uncertainty, Keynes argued, human decisions are not always based on rational calculation but on “animal spirits”—a “spontaneous urge to action rather than inaction” ([Keynes, 1936](#)). This insight shatters the rational-actor models that underpin both neorealism and neoliberal institutionalism.

State leaders, like investors in a market, operate in a fog of uncertainty. Their decisions are shaped not only by a cold calculation of national interest but also by psychological factors, waves of optimism and pessimism, and prevailing social conventions. Keynes's famous “beauty contest” analogy is particularly apt for IR: it is not about choosing the face one finds prettiest, but about choosing the face that one thinks others will find prettiest. ([Keynes, 1936](#)). Similarly, states make decisions not determined only on their own evaluation of a situation but also on how other states will determine it, how they will determine their own evaluation, and so on. This creates a recursive, self-referential logic that can lead to bubbles of optimism (as in the run-up to the Iraq War) or spirals of pessimism and fear, as in arms races and security dilemmas. The work of scholars like [Jervis \(1976\)](#) on perception and misperception in international politics provides a rich empirical basis for this Keynesian insight, showing how leaders consistently misinterpret signals and attribute malign intent where none exists.

This psychological dimension provides a crucial link to [Samet's \(2025\)](#) concept of the “military-narrational complex”. The “hawk's narrative advantage” that [Samet \(2025\)](#) describes is a manifestation of animal spirits in the realm of grand strategy. In a world of uncertainty, a simple, clear, and emotionally resonant story of threat and confrontation is often more compelling than a complex, nuanced narrative of diplomacy and compromise. The “gut feeling” of a general that war is imminent, as cited by [Samet \(2025\)](#), is a perfect example of animal spirits overriding rational analysis. A Keynesian paradigm, therefore, compels strategists to look beyond material capabilities and institutional arrangements to understand the role of perception, confidence, and narrative in shaping international affairs. It suggests that a key element of grand strategy is the management of expectations and the cultivation of a stable and predictable international environment to calm volatile “animal spirits” and resist the allure of seductive war stories.

1.5. Managed Multilateralism and the Embedded Liberalism Compromise

Perhaps the most practical element of the Keynesian paradigm is its vision for a managed international economic order. Keynes was a liberal who believed in the benefits of trade, but a chastened one who had witnessed the destructive power of unregulated global capital. His proposals for the post-World War II order, most notably the International Clearing Union (ICU), were designed to create what the political scientist [Ruggie \(1982\)](#) would later term a system of “embedded liberalism”. This system sought to strike a balance between the liberal goal of an

open, multilateral trading system and the domestic necessity of policy space for governments to pursue full employment and social welfare.

Keynes's plan for the ICU was a radical proposal for global economic governance. (Ghizoni, 2013). It envisioned a global central bank that would issue a new international currency, the "bancor," to settle international accounts. Crucially, the system was designed to be symmetrical: it would place pressure on both surplus and deficit countries to adjust their policies to restore equilibrium. Countries running persistent deficits would be allowed to devalue their currencies, while countries running persistent surpluses would, in effect, be taxed on their surplus balances, encouraging them to increase their own imports and foreign investment. As Keynes's foremost biographer, Moggridge (1992) explains, the goal was to prevent the deflationary bias that had plagued the gold standard, in which the burden of adjustment fell solely on deficit countries, thereby forcing them into recession.

While the final Bretton Woods system was a watered-down version of his vision—mainly due to American resistance to the constraints it would have placed on its own surplus position—it still embodied the core Keynesian compromise: that markets must be embedded within a framework of social and political regulation, and that international economic policy must be subordinated to the goal of domestic stability and full employment. This stands in stark contrast to the neoliberalism that has dominated recent decades, which has seen the "disembedding" of the market from social control (Polanyi, 1944). The Keynesian vision of managed multilateralism offers a blueprint for a more equitable and stable form of globalisation, a middle way between the realist impulse for protectionism and the liberal attachment to unfettered free markets.

1.6. A Synthesis of Paradigms

A Keynesian paradigm does not entirely discard the insights of realism, liberalism, and constructivism; instead, it integrates them into a more comprehensive whole. It is realistic in recognising the importance of national interest and the potential for conflict. However, it defines national interest more broadly, encompassing economic stability and social welfare, arguing that a nation's power ultimately rests on the well-being of its people. It is liberal in its commitment to multilateral cooperation and an open world economy. However, it insists that this system must be actively managed to prevent instability and protect domestic social contracts. Moreover, it is constructivist in its understanding that economic interests and behaviours are not given but are shaped by shared ideas, norms, and "conventions" (Widmaier, 2003). By bridging these divides, a Keynesian framework provides a more robust and adaptable toolkit for navigating the complex challenges of the twenty-first century, offering a way to think about grand strategy that is at once economically literate, psychologically astute, and institutionally creative.

1.7. A Keynesian Grand Strategy for the United States: Building a New Embedded Liberalism

Translating the Keynesian paradigm into a grand strategy for the United States in the twenty-first century requires a fundamental rethinking of American foreign policy, moving beyond the narrow confines of the current debate. A Keynesian grand strategy would not be a simple return to the New Deal or the Bretton Woods era, but a creative adaptation of Keynes's core principles to the challenges of a globalised and multipolar world. It would be a strategy of 're-embedding' liberalism, both at home and abroad, to create a more stable, prosperous, and peaceful world order. Such a strategy would be built on three pillars: reforming global economic governance, reimagining the social contract in a globalised world, and pursuing a pragmatic and cooperative internationalism that actively resists the pull of the military-narrational complex.

1.8. Reforming Global Economic Governance: A New Bretton Woods?

A central plank of a Keynesian grand strategy would be a concerted effort to reform the institutions of global economic governance. The current system, often dubbed the 'Washington Consensus', with its emphasis on austerity, deregulation, and free capital mobility, has created enormous wealth but also staggering inequality and recurrent financial instability (Stiglitz, 2002). A Keynesian approach would seek to rebalance the system, prioritising full employment and rising wages over the interests of financial capital. This would involve several key initiatives. First, the United States should lead a global effort to create a modern version of Keynes's ICU. This new institution would be designed to address global imbalances—the massive trade surpluses of countries such as China and Germany and the corresponding deficits of countries such as the United States—which are a significant source of financial instability and political tension. It would create mechanisms to encourage both surplus and deficit countries to adjust their policies, thereby preventing the deflationary pressures that have plagued the global economy. While the creation of a new global currency like the 'bancor' may be politically infeasible in the short term, a system of coordinated exchange rates and a new, large-scale issuance of Special Drawing Rights (SDRs) at the International Monetary Fund (IMF) could serve a similar function, providing liquidity to the global economy and reducing the reliance on the US dollar as the sole reserve currency (Eichengreen, 2011).

Second, a Keynesian strategy would reverse the presumption in favour of free capital mobility. The unfettered flow of speculative capital has been a major driver of financial crises, from the Asian crisis of 1997-98 to the global financial crisis of 2008, and has severely constrained the policy autonomy of national governments. The United States should work with other countries to create a new framework for managing capital flows, affirming the right of countries to use capital controls to prevent financial instability and pursue their own development strategies. This would be coupled with a renewed push for robust international financial regulation to address the problem of 'too big to fail' banks, shadow banking, and tax havens, which undermine the fiscal base of states and exacerbate inequality (Shaxson, 2011).

Third, Keynes understood the power of public investment to stimulate demand and address pressing social needs. A Keynesian grand strategy for the twenty-first century would embrace this logic to tackle the existential threat of climate change. The United States should lead a global effort to launch a 'Global Green New Deal', a massive programme of public investment in renewable energy, energy efficiency, and sustainable infrastructure. This would not only help to avert a climate catastrophe but also create millions of jobs, drive a new wave of technological innovation, and provide a new, positive-sum project for international cooperation, moving beyond the zero-sum logic of great-power competition. (Pettifor, 2019).

Figure 1 evokes the void at the heart of the current global economic order, an order in which the promise of liberalism has been hollowed out by austerity, financialisation, and permanent crisis. Against this dark backdrop, a Keynesian grand strategy can be read as an effort to fill that void—to sketch, quite literally from a blank slate, a new architecture of embedded liberalism that reconnects markets to social purpose and democratic control. The image thus serves as a visual threshold between the exhausted Washington Consensus and the possibility of an alternative: it invites the reader to imagine how a reformed system of global governance, a renewed social contract, and a cooperative internationalism might gradually bring light back into an otherwise opaque and unstable world economy.

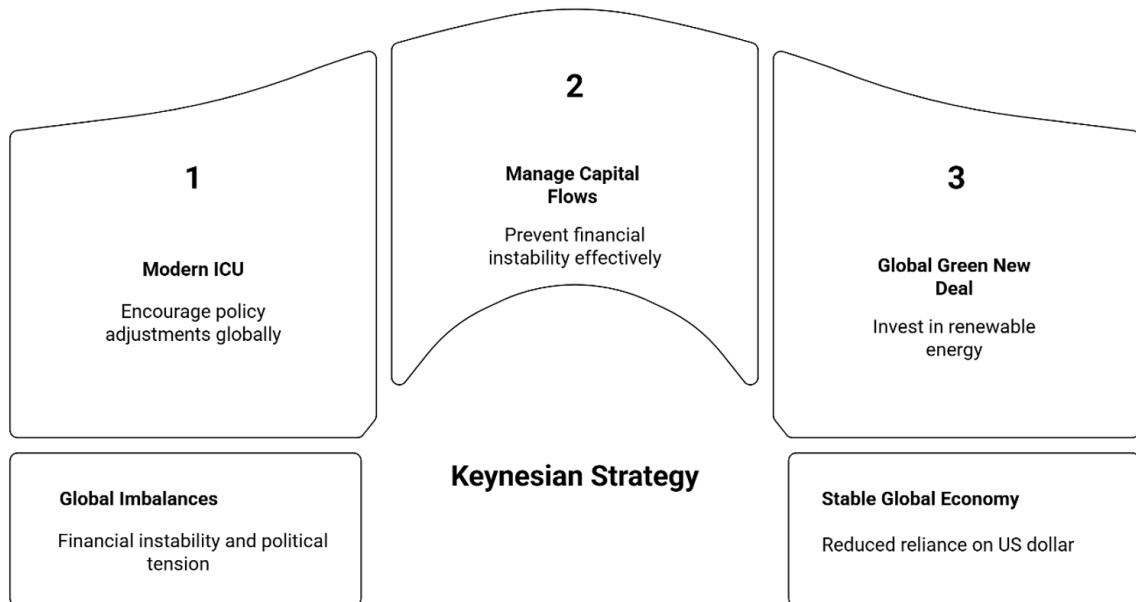


Figure 1. Implementing Keynesian economics globally.

1.9. Reimagining the Social Contract in a Globalised World

A Keynesian grand strategy would recognise that a stable and prosperous international order begins at home. The backlash against globalisation in many Western countries is a direct result of the failure to protect workers and communities from the disruptive effects of free trade and technological change. A Keynesian approach would seek to create a new 'embedded liberalism' for the twenty-first century, one that combines the benefits of an open world economy with a renewed commitment to social welfare and economic security.

This would involve a new social contract in the United States, strengthening unions, raising the minimum wage, expanding access to healthcare and education, and investing in public infrastructure. This would not only reduce inequality but also boost domestic demand, making the economy more resilient to external shocks and reducing the political appeal of nationalist and protectionist narratives. (Reich, 2015). A Keynesian strategy would also move beyond the simplistic mantra of free trade to embrace a more nuanced approach of 'fair trade'. Trade agreements should include enforceable labour and environmental standards and be designed to promote broad-based growth merely corporate profits. The goal should be to create a level playing field the environment in which they compete. This would also involve reforming the World Trade Organisation (WTO) to allow greater policy space for developing countries and to address the legitimate concerns of workers in developed countries. (Rodrik, 2011). Finally, Keynes was not a socialist, but he believed the state had a crucial role in shaping economic development. A Keynesian grand strategy would embrace a proactive industrial policy, investing in research and development, supporting key industries, and promoting innovation. The goal would not be to 'pick winners and losers', but to create a dynamic, innovative economy capable of competing in the twenty-first century, particularly in green technologies that will underpin future prosperity. This would be a direct challenge to the neoliberal orthodoxy that has dominated American economic policy for decades (Mazzucato, 2013).

1.10. Pragmatic and Cooperative Internationalism

Finally, a Keynesian grand strategy would be grounded in a pragmatic, cooperative internationalism that is acutely aware of the dangers posed by the military-narrational complex. Keynes was an idealist, but he was also a realist who understood the importance of power and national interest. A Keynesian approach to foreign policy would avoid both the crusading idealism of some liberals and the cynical realpolitik of some realists. It would be

based on a clear-eyed assessment of American interests. However, it would define those interests broadly to include the stability and prosperity of the global system.

This would involve a focus on shared interests and the prioritisation of cooperation with other major powers, including China and Russia, on challenges such as climate change, pandemics, and financial stability. It would recognise that in an interdependent world, the United States cannot be secure and prosperous unless other countries are as well. This requires moving beyond a zero-sum mindset and actively seeking out areas of mutual interest, even in an era of competition. A Keynesian grand strategy would also involve a renewed commitment to multilateralism, working through the United Nations, the IMF, the World Bank, and other international bodies to address global problems. This would not be a naive faith in the power of institutions, but a pragmatic recognition that they are essential tools for managing an interdependent world and for legitimising American leadership.

Crucially, it would involve a prudent approach to military intervention and narrative scepticism. Keynes was deeply sceptical of military solutions to political problems. A Keynesian grand strategy would be far more cautious about the use of military force, prioritising diplomacy and economic statecraft. It would involve a conscious effort to resist the pull of the military-narrational complex. This means cultivating a deep scepticism towards the seductive stories of war, whether they are tales of heroic liberation or of inevitable conflict. It means, as [Samet \(2025\)](#) suggests, practising the skills of literary analysis in the realm of foreign policy, questioning the narratives presented to us, and being aware of their power and capacity to delude. It means choosing the 'quiet, circuitous, and unglamorous narratives of prudential compromise, ambiguous diplomacy, or incremental progress' over the 'dire scenarios of risk and escalation' that so often dominate the public discourse. ([Lozada, 2023](#); [Samet, 2025](#)).

2. CONCLUSION

The current turmoil in American grand strategy is a symptom of a more profound intellectual crisis. The dominant paradigms of realism, liberalism, and constructivism, as [Goddard and Kertzer \(2025\)](#) have shown, have become 'pinhole cameras', each offering a narrow and distorted view of a complex world. This intellectual impoverishment has made policymakers and the public alike more susceptible to the seductive power of the 'military-narrational complex', which thrives on simple, emotionally resonant stories of conflict and confrontation. ([Samet, 2025](#)). To break the current impasse, American strategists must not only think more like social scientists, making their assumptions explicit and questioning the limitations of their own frameworks, but also more like literary critics, deconstructing the narratives that shape their strategic choices. This paper has argued that the most fruitful path forward lies in a return to John Maynard Keynes's international political and economic thought.

A Keynesian paradigm offers a more holistic and practical guide for American grand strategy. It re-embeds the economic sphere within the political and social, reminding us that a stable and prosperous world order cannot be built on a foundation of economic injustice and instability. It places the management of uncertainty and the taming of 'animal spirits' at the heart of statecraft, forcing us to look beyond simplistic models of rational action to understand the role of psychology, confidence, and narrative in shaping international affairs. Furthermore, it offers a vision of managed multilateralism, a new 'embedded liberalism' that can reconcile the benefits of an open world economy with the need for domestic social cohesion and democratic accountability.

Translating this paradigm into a concrete grand strategy for the United States requires a bold and ambitious agenda. It means leading a global effort to reform the institutions of economic governance, creating a more stable and equitable international financial system. It means reimagining the social contract at home, ensuring that the benefits of globalisation are more widely shared. Moreover, it means pursuing a pragmatic and cooperative

internationalism, one that prioritises shared interests and multilateral solutions, while actively resisting the siren song of the war story.

This is not a call for a nostalgic return to the past. The world of the twenty-first century is vastly different from the one that Keynes inhabited. Nevertheless, the core principles of his thoughts, his emphasis on economic stability as the foundation of peace, his profound understanding of the role of uncertainty in human affairs, and his commitment to a managed and humane international order, are more relevant than ever. By embracing a Keynesian fourth paradigm, the United States can move beyond the sterile debates of the past and craft a grand strategy that is at once realistic in its assessment of the challenges we face and idealistic in its vision of a better future. This world order is more prosperous, more just, and more peaceful, not because it is based on a better story, but because it is built on a sounder foundation.

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