

Is the United States Still a Global Hegemonic Power?

Hawre Hasan Hama¹

¹ College of Administrative and Political Science, Charmo University, Sulaimani, Iraq

Correspondence: College of Administrative and Political Science, Charmo University, Sulaimani, Iraq.

Email: hawrehasan87@gmail.com

Received: October 25, 2016 Accepted: November 21, 2016 Online Published: December 1, 2016

Abstract: This article mainly looks at theoretical approaches in international political economy and their claims regarding US global hegemonic power. These approaches have different theoretical assumption about the concept of hegemony, and therefore they assess the United States global hegemony in different ways. These approaches regarding the US global hegemonic power are divided into two schools: declinist school and anti-declinist school. The former assumes that the United States is in relative decline because it has economic rivals. The latter, however, argues that the US is still a global hegemonic power because it enjoys a structural power. This research strongly supports the latter approach, and therefore argues that the US is still a global hegemonic power.

Keywords: US Global Hegemony, Declinist School, Relative Decline, Anti-Declinist School, Structural Power

1. Introduction

The theoretical approaches of International Political Economy dealt with the US global hegemonic power in different ways. This disagreement about the US hegemony is a forgone conclusion among scholars of international political economy because these scholars have different theoretical assumptions about the hegemonic power, its sources of power and its rise and fall. In general, those schools assuming that the US hegemonic power today is in relative decline, they largely look at the hegemonic power as it must be economically and militarily a single powerful state in the system. This is a mainstream understanding of the hegemonic power among both adherents of Hegemonic Stability Theory (HST) and Modern World-System Theory (MWST). Based on this assumption they assess the US global hegemonic power, and therefore they conclude that the US hegemonic power has been relatively declined. However, those approaches assume that the hegemonic power must be a structural power; they believe that the US is not only lost its hegemonic position, but enhanced.

This research mainly argues that both HST and MWST are unable to offer a complete picture of the US hegemonic decline; and therefore the article strongly argues that the US still has a global hegemonic position. The explanations of the former two are refuted for many reasons; they mainly look at one aspect of the US hegemonic power (economic power), they only look at quantitative data for measuring US economic power, they compared the US hegemony to the British hegemony, and they underestimate the US military power.

This research will be divided into two sections; the first section argues that the US is no longer a global hegemonic power in accordance with HST and MWST. The final section argues that the US is still a global hegemonic power in accordance with the Structural Power theory.

2. The US is no Longer a Global Hegemonic Power

2.1. Hegemonic Stability Theory

For HST as Gill (1990) notes, the hegemonic state is a single powerful state in the system, both economically and militarily. This hegemonic state for Gilpin (2002), provides the public good to the system (free trade and monetary stability), and also it creates and keeps liberal international economic order. Based on these assumptions, Krasner (1979) argues that the US played a hegemonic role in the system immediately after the Second World War. This stage for HST as Hobson notes (2000) was a benign stage of the US hegemony. Gilpin and Gilpin (1987) believe that the US immediately after Second World War tolerated both European and Japanese discriminations against its exports. This stage, however, for HST has relatively diminished, as Gilpin and Gilpin (1987, cited in Gill, 1990, p.370) believe that the American hegemony in world economy “is drawing to an end”, for a loss of US industrial and technological vigour, the distribution of economic capabilities and the extraordinary appearance of Japan. Gilpin and Gilpin (1987) believe that such a decline has external and internal reasons. The external reason for US hegemonic decline was a result of a benign US hegemony, as the US following Second World War for two decades, subordinated its economic interests in favour of its allies for security and political reasons. Consequently, Gilpin (2011) believes that trading countries like Japan and West Germany appeared and grew while protected by the US military power, at the end of the twentieth century they both created and began to keep an independent military option, they now have substantial military capability and defence industries. However, Gilpin and Gilpin (1987, cited in Jones, 2001, p. 603) argue that the US decline was also a result of the mismanagement of the US domestic economy, as shown by sizable trade and budget deficits, excessive military expenditure and “lagging productivity”.

Following Gilpin, other adherents of HST as Pigman (2002) notes, assume that the US relatively started to decline, for economic reasons, as the US economic power has been caught up first by Europe and then by Japan. This decline clearly reported by Krasner. According to Krasner (1982), US international financial reserves went down in 1950 from 49 percent of the world total to 21 percent in 1960 and 7 percent in 1976, in exports of the world total it decreased from 18 in 1950 to 16 in 1960 and 11 percent in 1976, and the US share in world petroleum production dropped from 53 to 33 to 14 percent of the whole world for the same years. Moreover, Krasner (1976, p.332) believes that between 1945 to 1960 the position of US in terms of per capita income, aggregate size, share of world trade, and share of world investment reached heights, Since then the relative stance of US has waned, “bringing it quite close to West Germany, its nearest rival, in terms of per capita income and share of world trade”. Krasner (1977, p.637) believes that such a decline stemmed from the US domestic low agential power. For US political system was weak because of its fragmented and dispersed, which enables private sectors to influence over governmental policy. This was common in commercial policy “where Congress was a relatively more important decision arena, always presented American central decision makers with domestic constraints”.

2.2. Modern World-System Theory

This approach as Chase-Dunn and Grimes (1995, p. 389) argue, is theorised by Wallerstein. Wallerstein, (1980, cited in Robinson, 2011, p. 741) assumes that the hegemonic power is a country whose national products outcompete the products of other states. Based on this assumption, Wallerstein (2013, p.1) assesses the US hegemony, and he believes that the real stage of American hegemony was the end of Second World War. This is because economically the US capability was so far ahead of others, as it could outsell them in its own market, and also the US military power at this stage was unparalleled.

This point makes Gill (1990) to believe that both HST and MWST are based on the same assumption; hegemonic power must be economically and militarily a single powerful state in the system. At this stage according to Wallerstein (2006), the United States decided to rebuild the economic infrastructure of its allies, for political and economic reasons. As time went by, the economy of its allies were recovered, in the mid of 1960s, Western Europe, Japan, Hong Kong, Singapore, South Korea and Taiwan began to move towards an economic parity with the US. Consequently, the US market became a place for selling the products of those countries. Wallerstein's approach was applied by Bergesen and Sahoo (1985, p. 608) to the US capability in the world production, the result indicated that the US capability in the world production declined because "In 1956, the United States had 42 of the world's top 50 firms; the rest of the world had only 8. By 1980, the rest of the world had 27, and the United States only 23". Thus, Wallerstein traces the decline of US hegemony first and foremost to the erosion of US productivity. He argues that such a decline is a normal process because the third period of the real hegemony cannot be continuing. For hegemony is a process that is determined by an extraordinary economic advantage which resulted in political, military, and cultural domination in the world system, but secrets of such an extraordinary advantage can be learned and copied. The current stage of the US hegemony according to Wallerstein (2002), is a fourth stage, which is last stage of the US hegemony. For as mentioned before, Wallerstein believes that once other states could produce more goods than the hegemonic state, then the hegemonic power declines, even if the military power of the hegemonic state is immense.

The fourth period of hegemonic state (US) means that other states are entering into the first stage, at this stage the competition for being a hegemonic power is between European Union and Japan. At this stage the emerging hegemon has no desire to construct a strong land army. This enables the emerging hegemon to save large amounts of money that might be invested in the economic infrastructure. This enables the emerging hegemonic power to win significant competitions in the global market. Thus, one might understand of the fact that why the emerging powers currently at the phase of the US hegemony does not challenge the US militarily. Wallenstein argues that, the emerging hegemon constructs a strong land army at the second stage, which is a stage of a "Thirty Year War".

In general, as mentioned above both HST and MWST assume that the hegemon must be a strong state in the system. Both Gilpin (1981) and Wallerstein (2002) believe that the hegemonic state at one stage will face excessive military expenditure (as US did), and such a dilemma is costly and makes the hegemonic undermine itself first economically and then militarily.

Broadly speaking, both approaches are seemingly unable to offer a convincing analysis towards the declining of US hegemony for many reasons. First of all, as mentioned above, both approaches mainly relied in economic power to assess US hegemony, and therefore ignore other dimensions of US hegemony. As Huntington (1988) believes that the US power must be assessed in a different way than other countries. For other countries depend only on one dimension of power internationally, and therefore its influence internationally is one dimensional. This is not true for the US because the US power is multidimensional, and therefore its influence is multifaceted, as the US position in contrast to other countries, is peculiarly high roughly in all the major sources of national power;

Population size and education, natural resources, economic development, social cohesion, political stability, military strength, ideological appeal, diplomatic alliances, technological achievement is, consequently, able to sustain reverses in any one arena while maintaining its overall influence stemming from other sources (1988, p.90-91).

Similar to Huntington, Wohlforth (1999, p. 20) argues that “the United States has commanding leads in all the elements of material power: economic, military, technological, and geographical.

Secondly, the declining literature based on the quantitative data mainly assessed US industrial productivity, but this account is seemingly misleading. This is because as Ohmae and Ishikawa (1985 cited in Cafruny, 1990, p. 101) argue that, US firms hitherto occupy significant positions at the international level, and it is not obvious that the domestic accounts of GNP or productivity are adequate signs of overall national economic power. As Russett (1985, p. 209) argues that “the standards against which to measure the American decline are seldom made clear”. Thus, as Grunberg (1990) argues, GNP accounts are neither relevant no imprecise. For as Russett argues Britain was a hegemonic power during the nineteenth century, but it was never a dominant power based on the GNP account.

Furthermore, it seems that opponents of the US hegemonic decline assume that the quantitative data cannot tell us why the United States still gets the outcomes as it wants, and therefore we should look at qualitative accounts to assess the US hegemony. As Michael Cox (2012, p. 374) believes that we must assess the economic power not only by an economic size but also by the qualitative standard of ‘competitiveness’. Cox argues that there is no doubt that countries like China, India and Brazil are economically big and they get bigger as time goes, but this is less likely to make them competitive in relationship to the US, in a survey in 2011, among a group of 15 countries around the globe the US occupied the fourth position, and 11 of them were western, whereas the other four countries were Japan, Taiwan, Hong Kong and Singapore, but these countries strongly attached to the US and the West. For the BRICs, they occupied the down of the list as “China came in at 27, India at 51, Brazil at 58 and Russia at 63”. Thus, Cox believes that the US is still capable doing things that others can only hope for, this is partly a function of its size, partly a result of geographical luck (the US owns huge quantities of oil, gas, coal, and food), and partially a function of its embedded place in world economy, the latter position according to Cox (2004) comes from the fact that the US economy is still accountable for 30 per cent of world product, and it is nearly 40 percent larger than any of its nearest competitors.

Thirdly, both approaches compared the US hegemony with the British hegemony and based on this comparison they conclude that the US hegemony has been waning. This comparison seems to be wrong. For as both Huntington (1988) and Nye argue (2010) the US is geopolitically far from many major

places of world conflict, and it has no strong rival in its continent, but the UK was surrounded by two strong powers (Russia and Germany) that were the source of military problems for the latter during her hegemonic period.

Finally, both perspectives underestimated the US military power as it has been waning. This looks incorrect because as Nye (2008, p.57-58) argues that the disparity between the US power and the power of other states looks great. For the US is the only state that possesses intercontinental nuclear weapons and large state-of-the-art air, marine and land force able for global deployment. Moreover, the world is led by the US in “the information-based ‘revolution in military affairs’”. American military expenditure is nearly half of the world’s military spending; it would be too difficult for other states to pose traditional military challenge against the US.

3. The US is Still a Global Hegemonic Power

3.1. Structural Power Theory

As seen from the above framework, the declining literature of US hegemony was unable to offer a complete picture of the US power. Such a comprehensive picture partly mentioned from the above assessment against the two theories, and partly will be discussed in this section. Therefore, the above assessment against the two should be regarded as an integral part of this section. As mentioned from perspectives of opponents of the two, the US is still a hegemonic power. Strange by looking at the structural power reached the similar conclusion. Strange (1989, p.165) divides power into relational power and structural power; but she concentrates only on structural power. For Strange (1987), Structural power is the ability to

choose and to shape the structures of the global political economy within which other states, their political institutions, their economic enterprises, and (not least) their professional people have to operate (p.565).

As Guzzini (1993) notes, Strange theorised the structural power against the literature of the US hegemonic decline, and she argues that the declining thesis is chosen on purpose. To avoid such a mistake, Strange (1987, cited in Paterson, 1996, p. 96) looks at structural power to analyse the US hegemony, and therefore she argues that the US hegemony not only remains but also enhanced. Strange believes that structural power consists of four sectors, and in each sector the US structural power is still great. The first component of structural power is security that lies in the power of those actors providing or denying the security for others. Strange believes that (1987) the US power in this structure in comparison with other states is overwhelming. For the US dominates the only capability of intercontinental missiles with nuclear warheads “that are any sort of a match for the corresponding force controlled from Moscow”. This structure is more evidenced, in the context that US NATO allies are very weak in nuclear weapons, they rely on US protection, and their dependence on the latter is increased because of their weakness to the Soviet Union and its Warsaw allies in conventional weapons. Moreover, Gill (1990) believes that measuring the military power of the United States simply in relation to US forces overlooks the military expenditures of the US allies that supplement US security position.

The second structure according to Strange (1987), is a production structure, the power in this structure stems from who decide what should be produced for whom, on what terms. Strange (2001) argues that those concluded that the American economy is in decline, they looked at the share of industrial manufactured products and the share of U.S. exports of manufactures to world markets. These measurements, however, by her account is confusing because they are territorially based, and therefore they are inappropriate. Consequently, Strange (1987) believes that we have to instead regard,

the proportion of total world production of goods and services produced: a) in the United States, and b) by enterprises ultimately headquartered in the United States and responsible to the government Washington (p. 566-568).

Strange shows many indicators supporting the dominance of the US in the production structure; the top six companies producing computers are still American, “as are twelve of the top twenty”. Among them, they produce 62.3 percent of total world production and have over 50 percent of world turnover. Moreover, IBM alone takes over the market by 35.6 percent of world revenue in 1983. In telecommunications, AT&T and ITT are the leading two corporations in sales terms; the U.S. share of high technology products is actually larger. Similarly, American service industries will hold their share- 50 per cent or more-of the whole world market, In the oil business, among ten major oil companies, seven of them are still American. Strange believes that taking any list of the top 100, 500, or 1,000 companies producing for the world market demonstrates that the decision-making power over the world's production structure still lies, not in Europe or Japan, but in the US. Strange argues that the reason why the US controls the production structure is that the US provides the large market for manufactured commodities, and therefore the US laws and policies apply to those firms that exploited such a marketplace.

The third structure is finance structure, according to Strange (1998, p.90), the finance structure lies in the ability to enjoy the purchasing power and thus control markets for production, and also the capability to direct or misdirect money in which “credit is denominated”. Strange argues that the finance structure is controlled by the US, for it has the capability to control the provision and the availability of credit that denominated in dollars, and therefore to use a great influence for good or ill over the provision of the credit in the global monetary system. The US power is clearer, when one looks at the ratio of gold and foreign exchange rates hold by US government relative to Japan and Germany, and also the US government is the only government to print dollars that are accepted and saleable around all over the world. Strange believes that the US has two prominent weapons in the finance structure that makes the latter more powerful than others.

It could make advances in dollars to meet an emergency; and it could twist the arms of the largest and most influential banks in the system to follow its example with renewed medium-term credit (p. 90).

The fourth structure is knowledge, Strange (1995, p.65-66) argues that there is no doubt that the knowledge structure is dominated by American universities and American professional associations. By her account, there are many indications demonstrate such a truth including; the number of overseas

students that enroll in American colleges and universities in comparison with those that enroll in European and Japanese universities demonstrate the American dominance of global market in higher education, and the influence of US laws on patents and property rights in medicine and pharmaceutical research all over the world shows a structural influence that directly affects “the life chances-?good or bad-of millions of people”.

After all, it can be said that, Strange with other opponents of HST and MWST roughly showed a real picture of the US hegemony. For they rely on both quantitative accounts and qualitative accounts to assess the US hegemony, they did not look at one or two types of power, but rather they looked at different dimensions of the US power. Consequently, they could demonstrate that the US is still a global hegemonic power.

4. Conclusion

The article dealt with the US hegemonic power in accordance with HST MWST and Structural Power theory. The former two mainly concentrated on the US economic power to show the US hegemonic decline, to document such a decline both schools took some quantitative accounts of the US economic power. However, both HST and MWST were unable to offer a comprehensive picture of the US hegemony, for both approaches mainly depended only on two types of power, even they could not report the US decline based on the two types of power, they ignored the qualitative data to assess US hegemonic power, and therefore they could not explain the fact that why the US still gets outcomes more than others in the system. However, adherents of structural power by looking at different sources of power, taking both quantitative and qualitative accounts, they offered a comprehensive picture of the US hegemony. This picture really shows that the US is still a global hegemonic power.

References

- Bergesen, A., & Sahoo, C. (1985). Evidence of the Decline of American Hegemony in World Production. *Review (Fernand Braudel Center)*, 8, (4), 595-611.
- Cafruny, A. (1990). *A Gramscian Concept of Declining Hegemony: Stages of US Power and the Evolution of International Economic Relations*, in Rapkin D. *World Leadership and Hegemony*, USA: Lynne Rienner Pub, 97-118.
- Chase-Dunn, C., & Grimes, P. (1995). World-Systems Analysis. *Annual Review of Sociology*, 21, 387-417.
- Cox, M. (2004). Empire, Imperialism and the Bush Doctrine. *Review of International Studies*, 30(4), 585-608.
- Cox, M. (2012). Power Shifts, Economic Change and the Decline of the West? *International Relations*, 26, (4), 369-388.
- Gill, S. (1986). American Hegemony: Its Limits and Prospects in the Reagan Era, *Millennium - Journal of International Studies*, 15, (3), 311-338.
- Gill, S. (1990). Review of Robert W. Cox 'Production Power and World Order: Social Forces in the Making of History', *Review of International Studies*, 16, (4), 369-381.
- Gill, S. (1990). *American Hegemony and the Trilateral Commission*, USA, Cambridge University Press.

- Gilpin, R., & Gilpin, M. (1987). *The Political Economy of International Relations*. Princeton: Princeton University Press.
- Gilpin, R. (1981). *War and Change in World Politics*. United Kingdom: Cambridge University Press.
- Gilpin, R. (2002) 'The rise of American hegemony', in P. O'Brien and A. Cleese (eds), *Two Hegemonies: Britain 1846–1914 and the United States 1941–2001*, pp. 165–182. Aldershot: Ashgate Publishing Ltd.
- Gilpin, R. (2011). *Global Political Economy: Understanding the International Economic Order*. New Jersey: Princeton University Press.
- Grunberg, I. (1990). Exploring the “Myth” of Hegemonic Stability, *International Organization*, 44, (4), 431-477.
- Guzzini, S. (1993). Structural Power: The Limits of Neorealist Power Analysis. *International Organization*, 47, (3), 443-478.
- Hobson, J. (2000). *The State and International Relations*. New York: Cambridge University Press.
- Huntington, S. (1988). The U.S.: Decline or Renewal? *Foreign Affairs*, 67, (2), 76-96.
- Jones, R. (2001). *Routledge Encyclopedia of International Political Economy: Entries G-O* (2). London and New York: Taylor & Francis.
- Krasner, S. (1976). State Power and the Structure of International Trade, *World Politics*, 28(3), 317-347.
- Krasner, S. (1977). US Commercial and Monetary Policy: Unravelling the Paradox of External Strength and Internal Weakness. *International Organization*, 31, (4), 635 - 671.
- Krasner, S. (1979). The Tokyo Round: Particularistic Interests and Prospects for Stability in the Global Trading System, *International Studies Quarterly*, 23, (4), 491-531.
- Krasner, S. (1982). American Policy and Global Economic Stability, in Avery W and Rapkin D. *America in a Changing World Political Economy*, Longman Publishing Group, 29-48.
- Nye, J. (2008). Recovering American Leadership. *Survival*, 50, (1), 55-68.
- Nye, J. (2010). Futures of American Power-Dominance and Decline in Perspective. *Foreign Affairs*, 89, (2), 1-10.
- Paterson, M. (1996). *Global Warming and Global Politics*. New York: Routledge.
- Pigman, G. (2002). Hegemony Theory, Unilateral Trade Liberalisation and the 1996 US Farm Bill, in O'Brien P and Cleese A. *Two Hegemonies: Britain 1846-1914 and the United States 1941-2001*, UK: Ashgate, 258-283.
- Robinson, W. (2011). Globalization and the Sociology of Immanuel Wallerstein: A Critical Appraisal. *International Sociology*, 26, (6), 723-745.
- Russett, B. (1985). The Mysterious Case of Vanishing Hegemony; or, Is Mark Twain Really Dead? *International Organization*, 39, (2), 207-231.
- Strange, S. (1987). The Persistent Myth of Lost Hegemony, *International Organization*, 41(4), 551-574.
- Strange, S. (1995). The Defective State, *Daedalus*, 124, (2), 55-74.
- Strange, S. (1998). *States and Markets*. London: Printer Publishers.
- Strange, S. (2001). The Future of the American Empire, *Journal of International Affairs*, 42, (1), 1-17.
- Wallerstein, I. (2006). An American Dilemma of the 21st Century? *Societies without Borders*, 1, (1), 7-20.
- Wallerstein, I. (2013). US Weakness and the Struggle for Hegemony, *Monthly Review*, 55, (3), 1-7.
- Wallerstein, I. (2006). The curve of American power, *New Left Review*, 40, (2006), 77-94.

Wallerstein, I. (2002). Three Hegemonies, in O'Brien P and Cleese A. *Two Hegemonies: Britain 1846-1914 and the United States 1941-2001*, UK: Ashgate,. 357-361.

Wohlforth, C. (1999). The Stability of A Unipolar World. *International Security*, 24, (1), 5-41.