GCSP Policy Brief Series

The GCSP policy brief series publishes papers in order to assess policy challenges, dilemmas, and policy recommendations in all aspects of transnational security and globalization. The series was created and is edited by Dr. Nayef R.F. Al-Rodhan, Senior Scholar in Geostrategy and Director of the Program on the Geopolitical Implications of Globalization and Transnational Security.

GCSP Policy Brief No. 15
US Hegemony and Globalization

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Abstract

The power and influence of the United States (US) is now the defining feature of world affairs. Indeed, the United States is a hegemonic power insofar as it has been able to impose its set of rules on the international system. The US also provides public goods to the system, such as an international economic, commercial, and financial order and a global political and security order. If globalization amounts to the opening up of national borders to foreign economic, political, and cultural influence, then globalization serves an American vision of world order. What will happen to globalization without the foundation of American hegemonic power? Pressures to reverse political and economic reform may grow, and the forces of protectionism in both its economic and political forms may revive. This paper argues that globalization is the product of a particular set of structural conditions. It is an epiphenomenon of American hegemony, which created and nurtures it. As such, globalization cannot be sustained without US hegemony and will persist only as long as the United States remains the world's only superpower.
Policy Challenges

The power and pervasive influence of the United States (US) is now the defining feature of world affairs. One American aircraft carrier battle group can project more force than most of the world’s armies put together. The nuclear-powered aircraft carrier “USS Enterprise” is as high as a 25-story building. It has a crew of 5,600, with 85 combat aircraft, and can travel halfway around the world in two weeks. As a rule, its taskforce includes two Aegis-class cruisers to protect it from incoming aircraft and missiles, four frigates and destroyers to protect it from surface ships, two Los Angeles-class nuclear attack submarines to protect it from enemy submarines, and several amphibious assault ships carrying battalions of Marine expeditionary forces, their accompanying helicopters, and landing craft. A carrier battle group is virtually indestructible. Its full complement comprises some 15,000 personnel. Its aircraft alone can strike up to 700 targets in a single day within an accuracy of 1 meter. There is no equivalent in the world to its concentration of offensive military power. The United States does not just have one of these battle groups, it has 12 of them.¹

The United States economy produces over 30 percent of total world product. Some 70 percent of all Nobel laureates in the sciences, economics, and medicine conduct their research in America. The United States alone accounts for roughly 50 percent of all Internet traffic. The world’s leading firms in the fields of information technology, biotechnology, and nanotechnology are American. American universities are the envy of the Earth, and American language, films, and culture permeate the globe.² The US deploys forces in more than 125 countries worldwide. It spends a mere 3 percent of gross domestic product (GDP) on defense, and yet its defense budget surpasses the military expenditures of all other countries in the world combined.³ As the historian Paul Kennedy has noted: “Nothing has ever existed like this disparity of power … Charlemagne’s empire was merely Western European in its reach. The Roman empire stretched farther afield, but there was another great empire in Persia, and a larger one in China.”⁴

Insofar as it is able to impose its set of rules on the international system, the United States is a hegemonic power.⁵ But hegemons do not merely set the rules of the system, they also supply public goods to provide an incentive for other nations to accept those rules. A public good, like clean air and water, is one in whose costs one cannot be forced to share and from whose benefits one cannot be excluded. Because of the logic of collective action, international public goods – like a monetary system, free trade, or global security – will not be provided unless there is one party willing to absorb disproportionate costs.⁶ For the current international system, that party is the United States. The US pays a disproportionate cost to supply public goods because it derives a disproportionate benefit from enticing other members of the international community to play by its rules. Those goods include a global economic and financial order based on free trade (World Trade Organization), the free flow of capital (International Bank for Reconstruction and Development), and flexible exchange rates.
(International Monetary Fund), a global political order based on self-determination and human rights (United Nations), and a global security order enforced by American power (The North Atlantic Treaty Organisation (NATO)).

If globalization refers to the impact of foreign influences across national borders, be they economic, political, societal, cultural, or information-related, then globalization, in one sense, amounts to little more than an expression of US hegemony. Since the latter part of the 19th century, the United States has advocated an open-door policy that seeks to maintain access to foreign markets and prevent colonial powers from making third countries their own private preserve. More recently, American presidents from both parties have promoted the value of free markets and free societies. Competition is the very soul of the American ethos. In a world of capitalist competition for economic markets and of democratic competition for political ideas, Americans have home-court advantage. Since Woodrow Wilson, US policy has sought to remake the world in America's image. With its modern version of the open door and its penetration of sovereign state markets and cultures, globalization essentially serves to fulfill an American vision of world order.

Responses
American forces protect Europe and Asia from a potentially destructive cycle of security competition and arms races. Without the stability afforded by American hegemony, Germany and other European states might feel the need to develop their own nuclear deterrents. The same is true for Japan and its Asian neighbors. The American military presence in the Middle East serves to ensure the free flow of oil to industrial nations at reasonable prices. This commitment began in the wake of the 1973 oil shock and continued in the wake of the Iranian revolution, after President Carter announced that “an attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.” The US maintains its commitment to the free flow of oil through its protection of Saudi Arabia. This was the motivation for wars against the Iraqi regime of Saddam Hussein in both 1991 and 2003.

US hegemony also serves to control the proliferation of nuclear weapons through a combination of military intervention and diplomatic pressure on “rogue” regimes like Libya, Iraq, Iran, and North Korea. America, it seems, is indeed “the indispensable nation,” as Madeleine Albright contended. A recent quote by an Egyptian diplomat is telling: “I cannot succeed in pursuing my domestic objectives, economic or political, and I cannot succeed in pursuing my global objectives — be it on social issues, on arms control issues, on economic issues — without engaging America.” The larger question is whether there is an alternative to American hegemony. As far as President Bush is concerned, “the only alternative to American leadership is a dramatically more dangerous and anxious world.”

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Dilemmas
The United States would prefer to extend and maintain its hegemony with a minimum of exertion and with a maximum of acceptance from other states. It has thus been willing to facilitate the diffusion of technological innovation, economic prosperity, and organizational skills on a global scale. But the consequence of this diffusion is to allow potential rivals to take advantage of the hegemon’s “generosity” and build up indigenous capabilities. This process creates a dynamic of differential growth rates that ultimately results in the emergence of challengers. And challenges to American hegemony in the realm of economic affairs are already visible. Or the American public may grow weary of the costs of maintaining an international gendarmerie and continual military intervention. They may begin to question the cost-benefit calculus and conclude that the benefits of sustaining an open international system are meager. The days of American hegemony would then be numbered. What would happen to globalization in that case? Does globalization depend on US hegemony? Can it continue without the foundation of American hegemonic power? Or is globalization like a genie that has been let out of the bottle, free to take on a life of its own?

Implications
Many believe that globalization is synonymous with Americanization. Pressure for liberalization and political reform in Middle Eastern countries is blamed on the United States. The cultural imperialism of the American film industry is decried in Europe. And the threat to French cuisine by the invasion of McDonald’s has become a cause célèbre in France. Likewise, many believe that the advance of globalization is inexorable, that the growing openness of markets for goods and services and the rising level of international capital mobility cannot be reversed. But the forces of protectionism and economic nationalism, like certain resistant strains of virus, are surprisingly resilient. Mercantilist impulses are never very far from the surface. And historical precedents exist for such a reversal. During the interwar period, the seemingly irresistible momentum for ever-greater economic interdependence was stopped in its tracks. “Time and again,” as Benjamin Cohen observes, “governments have demonstrated their willingness to limit market openness, sacrificing the benefits of globalization, when deemed necessary for the sake of national security, cultural preservation, or environmental protection.” Pressure for limitations on trade and capital flows is again growing in the American Congress. If the United States either withdraws voluntarily from its dominant role in the world or is forced to scale back through a combination of military and economic overextension, it is hard to see how globalization will be sustained.

Future Trajectories/Scenarios
With its willingness to absorb unimaginably high deficits in its balance of trade, the United States acts as the global market of last resort. With its willingness to provide exceptional financial backing to the International Monetary Fund, the United States acts as the global lender of last resort. And with its willingness to intervene militarily and to provide disaster
relief in international crises, the United States acts as the underwriter of a global insurance policy against catastrophes. Without an American hegemon to sustain a liberal economic system, one might expect an increase in barriers to unfettered economic penetration of national borders. Difficulties in the current round of WTO talks are characteristic of the constant struggle waged by free traders against protectionist impulses. Without a global American military presence, one might expect increasing resistance to the unfettered spread of liberal political reforms, like democracy and the rights of women and minorities. One might also anticipate less pressure for standardization. English may not necessarily remain the lingua franca of business, air-traffic control, and diplomacy, and globally recognized standards in the areas of communication, transportation, and technology may be harder to come by.

Policy Recommendations

Imagine for a moment that the Soviet Union had won the Cold War. Is it likely that globalization would have ever occurred? The model then would not have been one of a liberal political and economic system, but rather an imperial commonwealth in a spoke-and-wheel model. The benefits of such a system would not have flowed from the center to the periphery, but rather from the periphery to the imperial core. So, in a sense, globalization is the product not only of a unipolar, hegemonic world, but also of a particular kind of hegemon. It is the result of a particular set of structural conditions. This paper argues that globalization is an epiphenomenon of American hegemony, which gave it birth and sustains it through the political and economic institutions that govern the liberal international system. Globalization is a creature of US hegemony, informed by American political, cultural, and economic values, and will persist only as long as the United States remains the world’s only superpower.

References

10. Quoted in Mandelbaum, op. cit., note 2, pp. 95-96.
11 See G. Bush and B. Scowcroft, A World Transformed (New York: Knopf, 1998); Vice President Cheney, Speech to Veterans of Foreign Wars, August 26, 2002; and especially Bacevich, op. cit., note 1, pp. 179-201.
17 See Mandelbaum, op. cit., note 2, pp. 172-175, 182-186.
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Review and Critique
With the demise of the bipolar system, the United States (US) is the only remaining superpower. Its global reach is such that François Heisbourg has referred to the US not simply as a superpower but as a “hyperpuissance.”1 With this unparalleled position comes heavy responsibilities, many of which the US has taken up. For example, the US played a pivotal role in the post-war reconstruction of Europe and the revival of world capitalism in the wake of the double shock of the Great Depression and World War II. The relative weakness of European countries as a result of economic devastation and the fragile position of their ruling classes made Western Europe’s integration into an American-centered world order what Geir Lundestad has referred to as “empire by invitation.”2 In this context, the majority of Western European leaders were willing to accept American leadership. In return, as Mark Sheetz notes in his policy brief, the US provided an international financial and commercial order, as well as defense and security to its allies. The US has, in turn, benefited from this in that it has been able to impose its rules on the international system.3

A number of challenges to US hegemony have nevertheless begun to appear. The recovery of Western Europe and the rise of Japan as a formidable economic power put considerable pressure on the US position within the globalizing economy during the 1970s and 1980s. Nevertheless, the US managed to retain its position by virtue of the shift from the Bretton Woods system to a de facto pure dollar system,4 which effectively allows the US to continue to maintain balance-of-payments deficits. Yet, the increased economic clout of China, in particular, is likely to become an increasing source of economic competition for the US. Thus, the temptation to opt for increased protectionism will be strong.

The legitimacy of US leadership is also being called into question. At the most benign level, Europeans are already pushing for greater autonomy in the Euro-Atlantic security realm. Their European Security and Defence Policy (ESDP), while still in its infancy, may increasingly erode the US monopoly on decision-making within the Euro-Atlantic security arena.5 Yet, a much more serious challenge to US leadership is being posed by the “empire’s” discontents. How the US responds to this challenge will be crucial to its own stability and security, as well as to that of the rest of the world. Earlier, much of the strength of US hegemony lay in its democratic foundations and its capacity to act as a beacon of hope. This strength is, however, currently being undermined by US refusal to be restrained by international law and its abuse of human rights. Against the backdrop of diminishing credibility, the US risks embarking on what may be perceived as “empire by imposition.” The Greater Middle Eastern Initiative, for example, is viewed by many in the region as pure imperialism. Thus, while the US is able to impose its will, doing so with disregard for international justice, as well as for foreign economic, political, and cultural traits, runs the risk of undermining US hegemony over the long term.
Dilemmas and Our Recommendations

In order for the United States to retain its leadership position and to promote greater stability and security across the globe, it must be a responsible hegemon. If it fails in this task, its long-term security, as well as the security of many people around the world, will be diminished. In what follows, we propose eight dilemmas or challenges facing the US and eight corresponding recommendations.

As mentioned, the post-World War II reconstruction of Europe was in many ways an example of invitational, consensual hegemony. European powers, for the most part, accepted US leadership against the backdrop of economic devastation, societal instability, and the Cold War. Yet, in other circumstances, US hegemony may, for real or perceived reasons, be viewed as outside interference or even outright imperialism. As a result, the US should resist...
derailing the principles of international justice and freedom both internally and externally. It should also promote soft-power instruments and avoid hypocrisy.

Hegemony in a market democratic world is one thing; hegemony to prevent peer competition is another. For the sake of its long-term stability, the US should promote fair competition and comparative advantage for the sake of humanity in a globalized world. In order to be a “benevolent” hegemon, the US should continue to act as an engine of globalization, which will necessarily promote the national interest, but it should do so in a way that fosters greater economic justice within states, as well as between them. The US should also support effective international justice and fairness. Indeed, this will be a prerequisite for re-establishing its credibility.

As mentioned, the US has provided stability within the Euro-Atlantic area for the greater part of the post-World War II period. Within an altered security environment, the US now faces the choice of using its position to enhance global security and transcultural harmony or to demonize others, foster alienation, and generate increased insecurity. US policy makers should promote diversity and cultural respect through public diplomacy. Long-term stability and security are likely to depend on this. In the interest of preventing US misadventures, policy makers should also ensure the independence of the press domestically in order to make it a credible and objective Fourth Estate. This way, American voters might be in a better position to evaluate and criticize government decisions.

A large part of the explanation for US short-sightedness is linked to the power of special interests not only within the media but also within the political and electoral system. Ideally, the electoral system should be reformed in such a way as to limit the influence of special interest groups. In addition, democratic oversight, as well as checks and balances within the political system, should be augmented.

**Conclusion**

While affording a great deal of influence, US hegemony comes at a cost. In order to be durable, it must be responsible. In the interests of its own long-term stability and security, the US should take its responsibilities seriously. This implies underpinning its policies and actions with fairness, justice, and respect for other cultures. If the US fails to do this, it is likely not only to erode its dominant position but also to face increasingly difficult challenges at home and abroad.

**References**

