

VII. American decline

and changing global hegemony

EE406: Contemporary Economic Issues

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Faculty of Economics, Thammasat University

Introduction

- At the end of the cold war the structure of global order appeared clear and straightforward.
- The West had won.
- More specifically, the US had become the sole superpower.
- The world was living through a period of [unipolarity](#) that many believed would continue well into the twenty-first century.

Then, world order was changing

- Why do we even care?
 - It's too huge
 - It's too recent
 - It's too weird a mix of topics
 - It's too broad
 - It's too reliant on implied knowledge



But

- It provides a structured approach to examining the forces that have shaped/are shaping the present
- Provides a sequel to the events and concepts of the 20th century
- Explains the resurgence of nationalism, the rise of the alt-right, the changing economy, changing approaches to federalism
- Brings together a number of strands across the syllabus
- It's got...





The risks of a new Cold War between the US and China are real. Here's why

The Conversation By Nick Bisley

Posted Wed at 11:31am



26 September 2018

24 September 2018



What is state power?

What exactly is meant by power?

- How can it be measured?
- What relationship does one state's power have to the international system?
- A.F.K. Organski correctly observed; “In a way, it is easier to list those nations that are powerful than to specify of what their power consists.” (Organski, 1968)

Several traps that scholars must avoid

1. the flawed tendency to see economic resource dominance as the sole defining characteristic of national power
 - does not always mean that a state will achieve a desired outcome
 - The US – despite economic resource superiority – has failed to achieve many of its major foreign policy objectives

Several traps that scholars must avoid

2. discuss power in their work without giving an operational definition of what power is or how we can measure it.

- Military and economic metrics are the most common areas
- Some have looked at political and social explanations by defining power as “influence,” which unlike “power,” has the virtue of being used as a verb and focusing on the success of actors in changing another actor’s behavior.
- a few authors have combined these areas to conceptualize power as a combination of economic, military, and political variables.

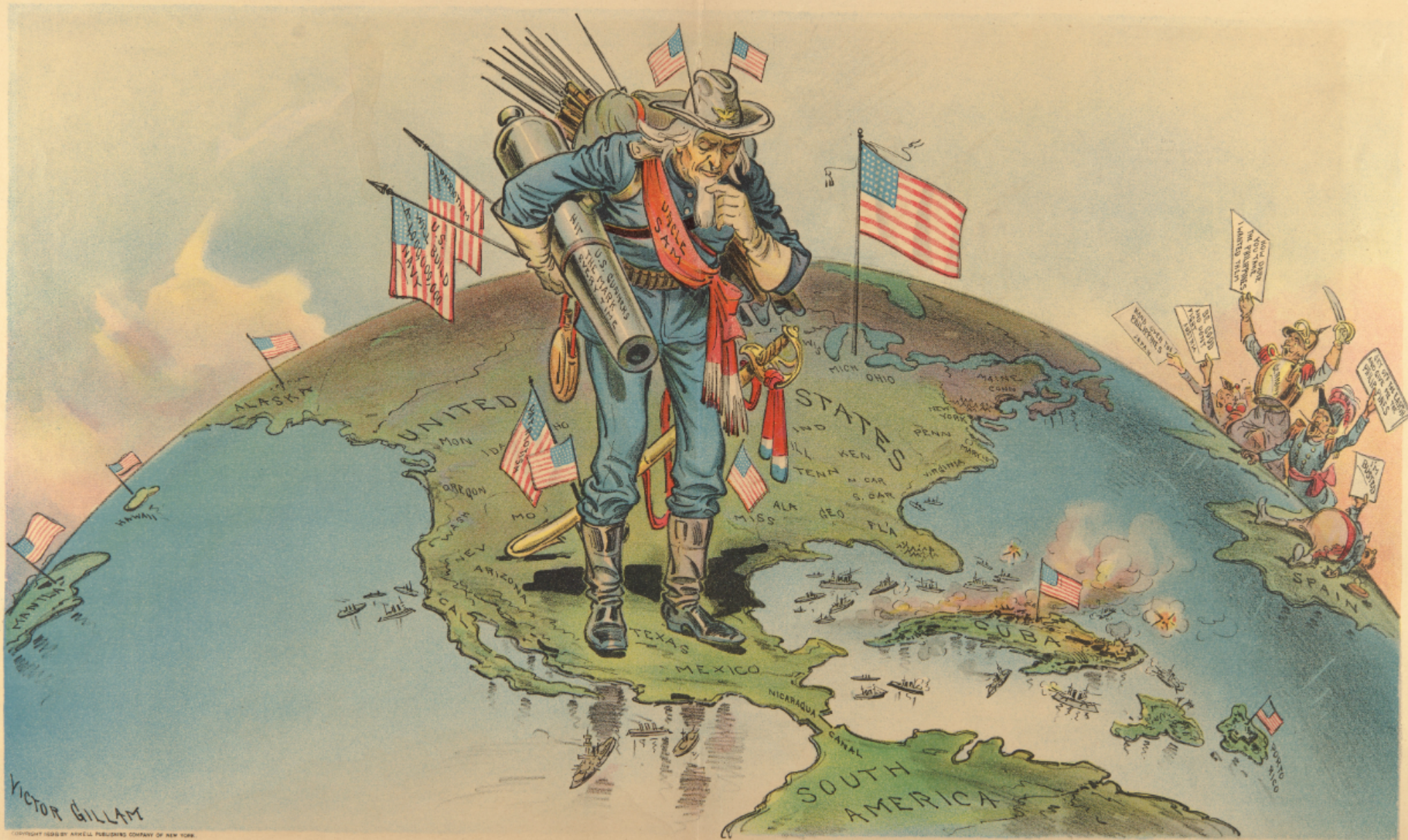
Distribution of power

- One of the most important issues concerning national power are shifts in the distribution of power that can affect the global hierarchy.
- According to Organski, “Power, then, is the ability to influence the behavior of others in accordance with one’s own ends.”
 - Power then exists not in warehouses but in the relationship among actors in which one actor is to influence others into doing something it may not wish to.
- Therefore, for Organski, we would need to look into the past at any disagreements or conflicts
 - Whichever state achieved its desired outcome would then be considered more powerful.
 - but it is inherently flawed...
 - limited insight as to the relative power of actors today or in the future.

- Organski argues it would be more useful to look at what he called the determinants of power
 - the capabilities and resources that afford an actor the ability to influence the behavior of others in order to predict current and future power.
- Organski makes clear that it is impossible to measure state power with precise accuracy, and that power may not necessarily mean an actor achieves its desired outcomes.
- However, by looking at the determinants of power we can get an approximation of the power of an actor, and can then make a prediction about the outcomes of future disputes.

Ways that power can be used to "influence"

- There are four ways in which an actor can try and influence the behavior of another actor, i.e. exerting power over another.
- These are usually
 1. persuasion,
 2. rewards,
 3. punishments,
 4. and/or force.



VICTOR GILLAM

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WE MUST FINISH THE NICARAGUA CANAL.

UNCLE SAM—"I'll have to cut that canal! See how easy I could relieve Dewey and protect our coast. No more 'OREGON BUSINESS' FOR ME."

Organski's determinants of power

- Organski's determinants of power are divided into two categories, natural and social determinants of power.
 1. Natural determinants:
 - include geography, natural resources, and population.
 - Population is the most important determinant of national power according to Organski, since a large population translates to a large labor force and potential pool for conscripts
 2. Social determinants
 - economic development, political development (efficiency), and national morale.
 - A state that possesses vast natural resources does not have power if it cannot convert those resources into high levels of military and economic capability
 - Morale refers to the willingness of a population to put the collective interest above their own, or to adopt it as their own interest.

Other determinants?

Can you possibly think of one?

Joseph S. Nye's conceptualization of power

- Joseph S. Nye who, like Organski, defines power as the ability of an actor to affect the behavior of others to achieve its goals. (Nye, 2009)
- Nye divides power into two separate categories,
 1. hard power
 - traditional metrics of power, economic and military capabilities.
 - the power of reward or coercion, can change the behavior of other actors by promising benefits or punishments
 2. soft power.
 - often in-tangible elements of national power that change the preferences of actors such as education or popular culture.
 - Co-optive power, or soft power, refers to the ability of a state to shape the preferences of others through the attractiveness of an actor's culture or values. (Nye, 2004)

- Nye argues that neither hard nor soft power is more important than the other in achieving goals.
- Rather, he argues that each situation requires a combination of both.
- Nye came up with the concept of “smart power,” a perfect combination of hard and soft power to achieve a goal.
 - Every situation requires a different smart power strategy involving different applications of hard and soft power.
- Nye’s conceptualization of soft power is similar to Antonio Gramsci’s earlier conception of hegemony

What is hegemony

What does it mean to be a hegemon?

- Attempts to define and operationalize hegemony, like the concept of power, has been debated and discussed at length by scholars.
- How does a state establish hegemony?
- Answering these questions can help an actor navigate in a world where a superpower dominates the global system.



Antonio Gramsci

- Arguably one of the most influential theorists whose work on social hegemony changed the way in which observers thought about the concept was Antonio Gramsci.
- Born in 1891, Gramsci became a prominent Marxist intellectual and helped lead the movement in Italy.
- However, with ascent of fascism, Gramsci was arrested and imprisoned along with other Marxists and intellectuals.
- While in prison he wrote a series of essays that have come to be known as the Prison Notebooks



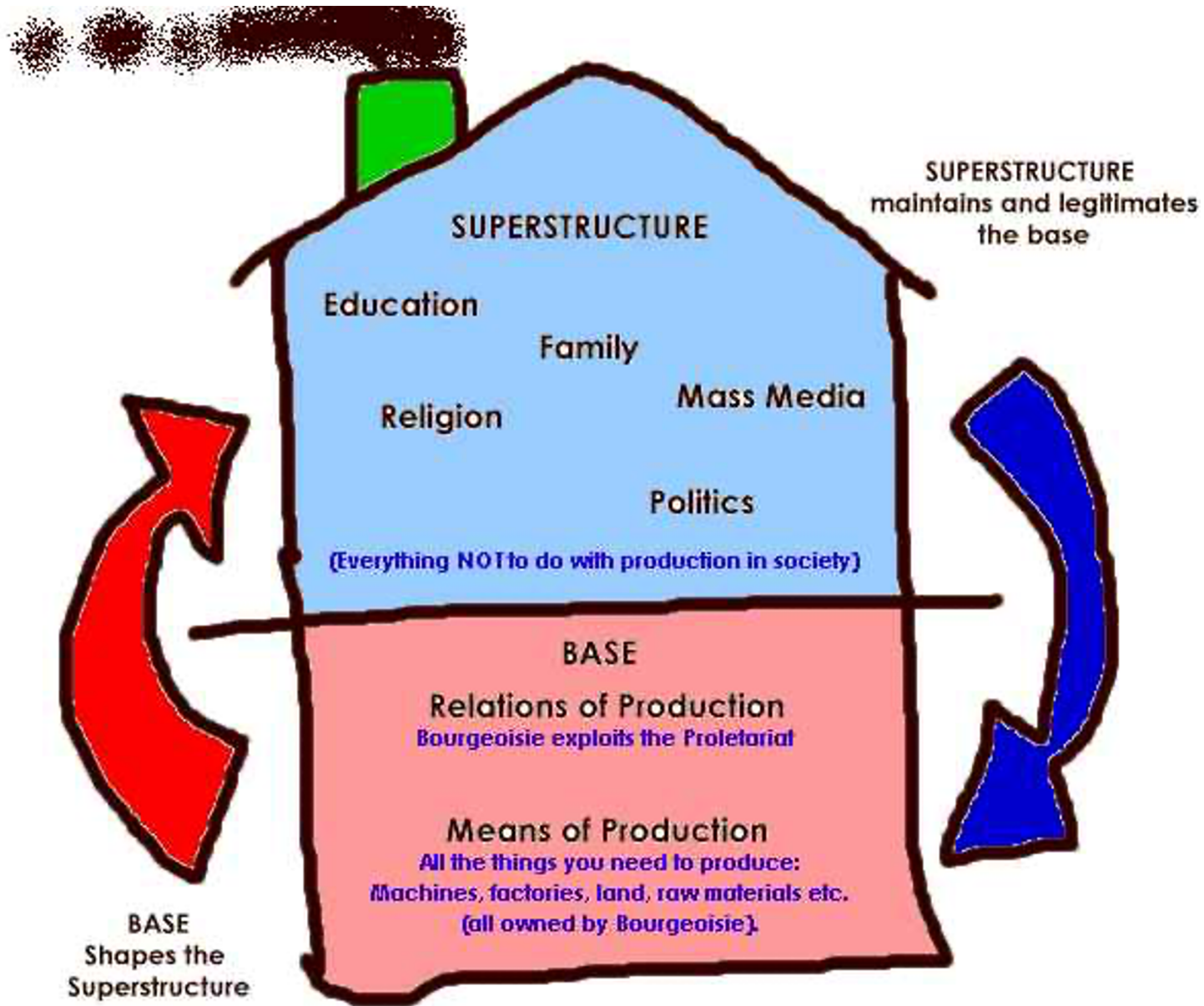
Marx's analysis of culture

- The economic base, the 'forces and relations of production' 'determine' the cultural 'superstructure' of a society
 - Forces and relations are mainly the technology and economic class relations that define an economic system
 - Slave/owner in an ancient agricultural system
 - Lord/serf in an advanced agricultural system, technology allowing for shared farming
 - Bourgeoisie/proletariat in a capitalist system with the development of mechanization and factory production

Marx's approach

- Marx was most concerned with identifying the laws of social change based on the historical development of societies' technological and economic systems
- His work on the superstructure presents a fairly mechanical reflection of the power held in the base
 - Though some argue that he simply did not have enough time to articulate a more sophisticated relationship

Control over the media, for example, allows the powerful to provide a nearly uniform ideological presentation across the entire society



Ideologies

- Mostly imposed from above, with little attention to the actions of the oppressed classes
- Acceptance is fairly uniform, with the mind another terrain of oppression
- Elite ideologists are either members of the bourgeois class or employed by the class
 - Though there are certain forms of conflict within the class, they are resolved when an issue of consequence for interclass relations emerges

Determination

- “superstructure is a reflection of the real social driver, not a driver itself. The system ideology is generated through the working of the economic structure. The ideology reflects and supports that structure. But the driving force is the “forces and relations of production” which define the kind of culture a society will develop.”
- For Marx, “false consciousness”
 - The false beliefs about their real conditions that workers subject to elite ideology have
 - False consciousness forestalls the development of “class consciousness,” the learned beliefs/knowledge that allow the class member to see from the true perspective of his/her class
 - Class consciousness leads to revolution or “revolutionary consciousness” as the classes are forced to recognize the irreconcilable conflict of their positions

Class consciousness

- It is the role of the intelligentsia to lead the working class into class consciousness
- Only through training and exhortation can workers break through their false consciousness
- Inherent contradictions in the working of the base lead to crises, representing opportunities for the development of class consciousness

Antonio Gramsci and “hegemony”

- Gramsci argued that diverse social groups attained “hegemony” at different times through inducing the consent of the majority of subordinate groups
- In this sense, Gramsci’s hegemony relates to how the ruling class turn their ideologies into common sense and natural and how they preserved that status quo

- According to Gramsci, the establishment of hegemony requires active and willing consent
 - Common sense, suggests Geoffrey Nowell-Smith, is 'the way a subordinate class lives its subordination' (cited in Alvarado & Boyd-Barrett 1992: 51)
- Gramsci also emphasized struggle in his conceptualization of hegemony
 - 'common sense is not something rigid and immobile, but is continually transforming itself' (Gramsci, cited in Hall 1982: 73)
- Consent must be constantly won and re-won, peoples' material and social experiences remind them of their subordination, this causes a threat to the dominant ideology

- Gramsci pointed out that while the unity of the prevailing groups is usually created through the state and violent institutions (American revolution, the establishment of the Turkish Republic, police, military etc.), civil society institutions play an important role in establishing and maintaining hegemony as well (schools, religion, media etc.)
- Later, the French Marxian thinker Louis Althusser defined these civil society institutions as ideological state apparatuses

Applying the hegemony theory

- Hegemony theory of Gramsci involves both analysis of current forces of domination, the ways in which these forces achieved hegemonic authority and the delineation of counter hegemonic forces that could contest the existing hegemony
- ‘It is this question of counter hegemony where culture becomes essential

Gramsci's Reinterpreting Hegemony

- Gramsci recognized that while this was true in less developed countries like Russia, it was not the case in *Western Europe*. *Here the system was maintained not merely by coercion, but also through consent. Consent is created and recreated by the hegemony of the ruling elite in society.*
- It is hegemony that makes the political, cultural, and moral values of the dominant group to become widely dispersed throughout society and to be accepted by subordinate groups and classes as their own.
- For Gramsci, dominant ideologies are institutionalized in society as they become **the “common sense”**.

Hegemonic Idea: Free Trade

- The hegemons like the United Kingdom and the United States used the hegemonic idea of free trade. Their claim that this system benefits everyone has been so widely accepted that it has attained “common sense” status.
- **However**, free trade benefits the hegemonic power as it is the most efficient producer in the global economy, and it can produce goods which are competitive in all markets. The peripheral countries do not benefit from free trade as much as the hegemon does. As Marxists argue free trade prevents the development of the periphery.
- The power of the United States is based on the hegemony of the neo-liberalism.

The hegemony of Neo-liberalism

- Neo-liberal policies are accepted as the norm throughout the world. Set of policies most closely associated with the neoliberal project is: privatization, reduction of state spending, liberalization of trade and capital... these policies are also known as “Washington Consensus”
- The adoption of neo-liberal policies by Third world countries: spending on health and education decreased, they were forced to rely more on the export of raw materials and import manufactured goods of developed countries.
- Moreover, as third world countries devalued their currency as part of neo-liberal policies, the price of their exported raw materials decrease. When third world countries privatize their public enterprises, American or European companies buy them at relatively cheap prices.

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