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# American power and the empire of capitalist democracy

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The United States is today a global superpower without historical precedent. It stands at the centre of an expanding democratic-capitalist world order that is itself, fifty years after its creation, the dominant reality in world politics. Despite expectations that American hegemony would disappear and trigger the emergence of a new and unstable multipolar post-Cold War order, the opposite has in fact happened. American power has grown even greater in the decade since the collapse of the Soviet Union. Although American power is not uniformly welcome around the world, serious ideological challengers or geopolitical balancers are not to be found. Scholars who a decade ago were debating the prospect of co-operation and conflict in a post-hegemonic world are now debating the character and future of world politics within an American unipolar order.

The rise of American unipolarity is surprising. Many observers expected the end of the Cold War to usher in a new era of multipolarity. Some anticipated a return to the balance of power politics of the late nineteenth century. Others saw signs of regional blocs that would return the world to the instabilities of the 1930s. But the distribution of power took a dramatic turn in America's favour. The sudden collapse of the Soviet Union, the decline in ideological rivalry, lagging economic fortunes in Japan and continental Europe, growing disparities in military and technological expenditure, and America's booming economy all intensified power disparities in the 1990s.

The United States began the 1990s as the world's only superpower and it had a better decade that any of the other great powers. Between 1990 and 1998, the American economy grew 26 per cent, while Europe grew 17 per cent and Japan 7 per cent. The United States has reduced its military spending at a slower rate than other countries. It has also been steadily distancing itself from other states in the range and sophistication of its military power.[1] The global reach and multifaceted character of American power separates the American unipolar moment from earlier eras of hegemonic dominance. 'The United States of America today predominates on the economic level, the monetary level, on the technological level, and in the cultural area in the broadest sense of the word', observed French Foreign Minister Hubert Vedrine in a speech in Paris in early 1999. 'It is not comparable, in terms of power and influence, to anything known in modern history'.[2]

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[1] Calculated from OECD statistics (July 1999 web edition). GDP measures are calculated at 1990 prices and exchange rates. Reflecting the sharp disparities in military power—and its likely continuation well into the future—80 per cent of world defence research and development takes place in the United States. For this and other empirical indicators of American unipolar power, see William Wohlforth, 'The Stability of a Unipolar World', *International Security* (Summer 1999).

[2] Quoted in Craig R. Whitney, 'NATO at 50: With Nations at Odds, Is It a Misalliance?' *New York Times*, 15 February 1999, p. A7.

But disparities in material capabilities do not capture the full character of American unipolarity. The United States is a different type of hegemonic power. It is not just a powerful state that can throw its weight around—although it is that as well. The United States also dominates world politics by providing the language, ideas, and institutional frameworks around which much of the world turns. The extended institutional connections that link the United States to the other regions of the world provide a sort of primitive governance system. The United States is a central hub through which the world's important military, political, economic, scientific, and cultural connections pass. No other great power—France, Germany, the United Kingdom, Japan, or China—has a global political or security presence. The European Union has a population and economic weight equal to the United States but it does not have a global geopolitical or strategic reach. It cannot project military power or pursue a unified foreign policy toward, for example, China. Japan, who many thought a decade ago might emerge as the next great world power, is struggling under the weight of political gridlock and economic malaise. America's far flung network of political partnerships and security commitments—together with the array of global and regional institutions—provide what passes for global governance.

To look at the current world order with realist eyes—focusing on anarchy and great power politics—misses the deeper structures of hierarchy and democratic community that prevail today. It is remarkable that fifty years after their defeat in World War II, Japan and Germany—now the second and third largest economies in the world—are still dependent on the American security commitment and station American military forces on their soil. If empires are coercive systems of domination, the American-centred world order is not an empire. If empires are inclusive systems of order organized around a dominant state—and its laws, economy, military, and political institutions—than the United States has indeed constructed a world democratic-capitalist empire.

The United States is not just a unipolar power. It is also the dominant state within a unipolar world order. This world order—perhaps best called the American system—is organized around American-led regional security alliances in Europe and Asia, open and multilateral economic relations, several layers of regional and global multilateral institutions, and shared commitments to democracy and open capitalist economies. It is an order built around American power and a convergence of interests between the United States and other advanced industrial democratic states. Shared values and interests help give shape to the American system, but it is also an engineered political order that is built around a series of political bargains between the United States and its European and Asian partners after World War II and renewed and expanded over the decades.

But how stable is this order? The answer depends on what the precise character of this order actually is. Some argue that behind the fascade of democracy and institutional co-operation lies a predatory and imperial American state. Chalmers Johnson argues that the American 'empire' is as coercive and exploitative as the Soviet empire and anticipates a backlash in which America's resentful junior partners will wreak their revenge and bring the entire imperial edifice down.[3] This is an echo of a revisionist tradition that sees American global dominance driven by expansionary and exploitative capitalists or a crusading national security state.

[3] Chalmers Johnson, *Blowback: The Costs and Consequences of American Empire* (New York: Metropolitan Books, 2000).

American Cold War-era interventionism in Latin America and elsewhere around the world provides ample material to make this claim.[4] Some intellectuals in the West even suggest that an arrogant and overbearing America brought the terrorism of 11 September, 2001, on itself.[5] Taking the opposite view, John Gaddis argues that the American empire is fundamentally different to the old Soviet empire. The habit of democracy and reciprocity has given American relations with Europe and Asia a more benign and legitimate cast.[6] Realists, such as Kenneth Waltz, argue that the American unipolar order is inherently unstable not because of any special malign American characteristics but because of the inherent insecurity that unequal power confers on weaker states. In anarchic orders, weaker states are threatened by extreme concentrations of power and will seek protection in counter-hegemonic groupings. The balance of power will reassert itself.[7] But the debate about whether there is a coming backlash begs the question: what is the character of American unipolar order as a political formation?

I argue that American unipolarity is an expansive and highly durable political order. It is not a transitional phase in international relations but is a political formation with its own character and logic. Nor is it a political formation that falls easily into a particular historical category—empire, superpower, hegemonic order. The American order is built on power—at least at its core. The extended system of American-led security protection in Europe, the Middle East, and Asia is an essential element of this order and it can only be sustained by dominant military capabilities, which in turn depends on continuing American economic and technological strength. But the American order is sustained by more than power and therefore its political dynamics—and historical trajectory—are not intelligible from a narrow realist perspective.

The American unipolar order has deep foundations. It is unlikely that any other state or alternative political order will soon arise to replace it. Nor is the world likely to return to a more traditional multipolar world of great power politics. The reason is that the sources of American dominance—and the stability of the American-centred liberal capitalist world order—are remarkably multidimensional and mutually reinforcing. Critical features of the order make American power less threatening and therefore reduce the incentives that other states have to distance themselves from or balance against the United States.

There are four major facets of the American order that make it robust and durable. One dimension is identified by realist theorists of hegemony, such as Robert Gilpin, who focus on power as the essential glue—power manifest in American security protection, market dominance, and the international role of the dollar. A second dimension is found in the special circumstances of American geography and historical staging. American power is offshore—geographically isolated from the other major powers—making that power less threatening and more useful in stabilizing regional relations. The United States also rose to power as an anti-

[4] See, for example, Noam Chomsky, *Turning the Tide: US Intervention in Latin America and the Struggle for Peace* (Boston, MA: South End Books, 1986).

[5] See, for example, Steven Erlanger, 'In Europe, Some Say the Attacks Stemmed from American Failings', *The New York Times*, 22 September 2001; and Elaine Sciolino, 'Who Hates the US? Who Loves It? *The New York Times*, 23 September 2001.

[6] John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (New York: Oxford University Press, 1997), ch. 2.

[7] Kenneth Waltz, 'Structural Realism after the Cold War', *International Security* (Summer 2000).

colonial and post-imperial state with strategic interests that could be pursued by articulating universal principles of state relations. A third dimension of American unipolarity is the distinctive way in which democracy and international institutions have provided the United States with mechanisms to make itself less threatening to the rest of the world. The liberal character of American hegemony allows the United States unusual capacities to make commitments and restrain power. Finally, the deep forces of modernization and the distinctive principles of the American polity—civic nationalism and multi-cultural identity—also give the United States unusual influence and political congruence with world political development. The durability of the American order is not simply sustained by the exertion of American power—activity shaping and managing the world. Rather it is the country's deep alignment with global developmental processes—and the 'project of modernity'—that gives the American system its durability and global reach.

This article will examine these facets of the American order. It will conclude by looking at the underlying political bargain that the United States has made with the rest of the world and discuss whether that bargain is coming unstuck or not. The American system has a long future if its leaders understand its logic and rules.

## Balance of power, hegemony, and the American system

In explaining the character and future of American unipolarity, structural realism provides the most elegant and time-honoured theory. International order is the result of balancing by states under conditions of anarchy to counter opposing power concentrations or threats. In this view, the rise of the American order was itself a creature of the Cold War and bipolar balancing. The Soviet threat provided the essential stimulant for American-led post-war order building in the non-communist world. But with the end of the bipolar threat, American preponderance is unsustainable: now it poses a danger to other states and balancing reactions are inevitable. Kenneth Waltz provides the logic of this realist expectation. The underlying condition of anarchy leads weaker states to resist and balance against the predominant state. Security—indeed survival—is the fundamental goal of states, and because states cannot ultimately rely on the commitments or guarantees of other states to insure their security, states will be very sensitive to their relative power position. When powerful states emerge, secondary states will seek protection in countervailing coalitions of weaker states. The alternatives risk domination. As Waltz argues: 'Secondary states, if they are free to choose, flock to the weaker side; for it is the stronger side that threatens them. On the weaker side they are both more appreciated and safer, provided, of course, that the coalition they join achieves enough defensive or deterrent strength to dissuade adversaries from attacking'.[8] Alliances emerge as temporary coalitions of states formed to counter the concentration of power. As the distribution of power shifts, coalitions will also shift. American unipolar power is manifestly unstable.

[8] Waltz, *Theory of International Politics*, p. x. See also Waltz, 'The Emerging Structure of International Politics', *International Security*, 18:2 (1993); and Waltz, 'Structural Realism after the Cold War', *International Security* (Summer 2000).

Yet it is remarkable that despite the sharp shifts in the distribution of power, the other great powers have not yet responded in a way anticipated by balance of power theory. Despite the disappearance of the Soviet threat, it is difficult to discern a significant decline in alliance solidarity between the United States and its European and Asian partners. 'Rather than edging away from the United States, much less balancing against it, Germany and Japan have been determined to maintain the pattern of engagement that characterized the Cold War', argues Michael Mastanduno. 'Neither China nor Russia, despite having some differences with the United States, has sought to organize a balancing coalition against it. Indeed, the main security concern for many countries in Europe and Asia is not how to distance from an all-too-powerful United States, but how to prevent the United States from drifting away'.[9] Both NATO and the US-Japan alliance have recently reaffirmed and deepened their ties. Nor have wider realms of political and economic co-operation or accompanying multilateral relations declined in serious ways. Trade and investment has expanded across the Atlantic and Pacific and an increasingly dense web of intergovernmental and transnational relations connect these countries. Despite the most radical shifts in international power in half a century, the relations among the major states have remained remarkably stable and continuous.

For Waltz, the expectation of a return to a global balance of power requires patience. Realist theory clearly expects that 'balances disturbed will one day be restored', but it cannot predict when national governments will respond to these structural pressures. In Waltz's structural realist view, unipolarity is the least durable of international configurations that inevitably will provoke actions and responses by the dominant and weaker states that will ultimately return the system to a more traditional balance of power order. A unipolar state is fundamentally unrestrained —and this makes its foreign policy less disciplined and more dangerous to other states. Resistance and counter-balancing will follow. Indeed, Waltz claims that one can observe 'balancing tendencies already taking place'.[10]

Aside from balance of power theory, a second realist theory holds that order is created and maintained by a hegemonic state which uses power capabilities to organize relations among states.[11] The preponderance of power by a state allows it to offer incentives—both positive and negative—to the other states to agree to ongoing participation within the hegemonic order. According to Gilpin, an international order is, at any particular moment in history, the reflection of the underlying distribution of power of states within the system. Over time, this distribution of power shifts, leading to conflicts and ruptures in the system, hegemonic war, and the eventual reorganization of order so as to reflect the new distribution of power capabilities. It is the rising hegemonic state or group of states, whose power position has been ratified by war, which defines the terms of the post-war settlement —and the character of the new order.

In the strong version, hegemonic order is built around direct and coercive domination of weaker and secondary states by the hegemon. The dominant state manipulates the world to its purposes. But actual hegemonic orders have tended to

[9] Michael Mastanduno, 'Preserving the Unipolar Moment: Realist Theories and US Grand Strategy after the Cold War', *International Security*, 21:4 (1997), p. 58.
[10] Waltz, 'Structural Realism after the Cold War', *International Security* (Summer 2000).
[11] See Robert Gilpin, *War and Change in World Politics*.

be more complex and less coercive. Gilpin depicts the British and American hegemonic orders as ones built around dominant military and economic capabilities but bolstered as well by mutually beneficial trade relations and shared liberal ideology. Indeed, he argues that hegemony without a commitment to liberalism is likely to lead to imperial systems, regional blocs, and the imposition of severe restrictions on lesser states.[12] Hegemonic orders can be relatively benevolent and non-coercive—organized around reciprocal, consensual, and institutionalized relations. The order is still organized around asymmetrical power relations but the most overtly coercive character of domination is muted. In a highly imperial hegemonic order, weaker and secondary states are simply unable to counter-balance. Domination itself prevents the escape to a balance of power system. In more benign and consensual hegemonic orders, where restraints on hegemonic power are sufficiently developed, it is the expected value of balancing that declines. Balancing is an option for weaker and secondary states, but the benign character and institutional limits on hegemonic power reduce the incentives to do so.

Following this observation, it is possible to identify three variants of hegemonic order. The first is based on coercive domination. Weaker and secondary states are not happy about their subordinate position and would actively seek to overturn the order if they were capable of doing so. But the prevailing power distribution provides insufficient capabilities for these states to challenge the dominant state. This is in effect an informal imperial order.[13] Power—and in the final instance coercive domination—keeps the order together.[14]

A second type of hegemonic order is held together by some minimal convergence of interests. The dominant state might provide 'services' to subordinate states that these states find useful—and sufficiently useful to prevent them from actively seeking to overturn the order. In this order, the dominant state's security or economic assets can be used or employed in one way or other by weaker partner states—the leading state provides security protection or access to its market—and these opportunities for gain outweigh the dangers of domination or abandonment. America's extended security role in Western Europe, East Asia, and the Middle East, for example, is welcomed by states in these regions because it allows them to stabilize local rivalries. Finally, in a

[12] See Gilpin, 'Economic Interdependence and National Security in Historical Perspective', in Klaus Knorr and Frank Trager (eds.), *Economic Issues and National Security* (Lawrence, KS: Regents Press of Kansas, 1977), pp. 19–66.

[13] For discussion of empires—their sources of order and variation—see Michael Doyle, *Empires* (Ithaca, NY: Cornell University Press, 1986); Alexander Motyl, *Revolutions, Nations, Empires: Conceptual Limits and Theoretical Possibilities* (New York: Columbia University Press, 1999); S.N. Eisenstadt, *The Political Systems of Empires: The Rise and Fall of the Historical Bureaucratic Societies* (New York: Free Press, 1969); and Karen Dawisha and Bruce Parrott, *The Disintegration and Reconstruction of Empires* (Armonk: M. E. Sharpe, 1966). For a discussion of European empire and reactions to it, see Philip D. Curtin, *The World and the West: The European Challenge and the Overseas Response in the Age of Empire* (New York: Cambridge University Press, 2000). For a broad historical survey of types of international orders in historical and comparative perspective, see Barry Buzan and Richard Little, *International Systems in World History: Remaking the Study of International Relations* (New York: Oxford University Press, 2000).

[14] In a variation of this view, William Wohlforth argues that it is the sheer preponderance of American power that prevents a return to traditional patterns of balance. The power disparity is such that a countervailing coalition is not possible. 'No other major power is in a position to follow any policy that depends for its success on prevailing against the United States in a war or an extended rivalry', Wohlforth argues. 'None is likely to take any step that might invite the focused enmity of the United States'. Wohlforth, 'The Stability of a Unipolar World', *International Security*, p. x.

third variant, hegemonic order might even be more thoroughly institutionalized and infused with reciprocal processes of political interaction so that the hierarchy of the order is all but obscured. This is quasi-rule-based and open hegemony. In such a benevolent hegemonic formation, where there are real institutional restraints on the exercise of power, the resulting order begins to reflect less faithfully the underlying distribution of power. This is reflected in the American hegemonic order, where the web of institutional relations—security, political, and economic—that the United States spun after World War II and in later decades has transformed the sharp power disparities into a more principled and mutually acceptable order.

**Security alliances, markets, and the dollar**

American power—military, political, economic—is the not-so-hidden hand that built and sustains the American system. The realist narrative is straightforward. The United States emerged from World War II as the leading global power and it proceeded to organize the post-war system in a way that accorded with its interests. In 1947, the British scholar Harold Laski wrote: 'America bestrides the world like a colossus; neither Rome at the height of its powers nor Great Britain in the period of its economic supremacy enjoyed an influence so direct, so profound, so pervasive …'[15] America's allies and the defeated axis states were battered and diminished by the war, whereas the United States grew more powerful through mobilization for war. The American government was more centralized and capable, and the economy and military were unprecedented in their power and still on an upward swing. America's position was also enhanced because the war had ratified the destruction of the old order of the 1930s, eliminated the alternative regional hegemonic ambitions of Germany and Japan, and diminished the viability of the British imperial order. The stage was set for the United States to shape the post-war order.

The extraordinary power disparities of the moment were not lost on American officials. George Kennan pointed to this reality in 1948: 'We have about 50 per cent of the world's wealth but only 6.3 per cent of its population. … Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security'.[16] Kennan is expressing a quintessentially realist sentiment that the United States needed to construct a post-war order that would allow it to retain its power and advantages but do so in a clever enough way so as not to provoke resistance.

Two sorts of strategic objectives became attached to the exercise of American power in the 1940s. One dealt with the geoeconomic organization of the post-war order: the United States sought to build an order that would avoid the return to the antagonist regional blocs of the 1930s. The United States wanted to situate itself in an open order that would allow multilateral trade and resource access with the other regions of the world. America's other great ambition emerged later—countering Soviet communism by creating a worldwide system of alliance partnerships and pursuing containment.

[15] Harold J. Laski, 'America–1947', *Nation*, 165 (13 December, 1947), p. 641.

[16] 'Memorandum by the Director of the Policy Planning Staff [Kennan] to the Secretary of State and Under Secretary of State [Lovett]', 24 February 1948, *Foreign Relations of the United States*, 1948, vol. 1, p. 524.

During the 1930s, the United States saw its geopolitical operating space shrink as the other great powers begin to construct closed and competing regional blocs. Germany pursued a series of bilateral trade agreements with Eastern European countries in order to consolidate an economic and political sphere of influence in the region. Japan pursued an even more overt campaign to create a Greater East Asian Co-Prosperity Sphere. In a less obvious or aggressive way, Britain also was pursuing a strategy of discriminatory economic co-operation with its Commonwealth partners—a non-territorial economic bloc built around the imperial preferential system. By the end of the 1930s, the world was effectively carved up into relatively insular economic blocs—antagonistic groupings that American officials understood to be at least partly responsible for the onset of war.[17]

This is where American strategic thinkers began their debates in the 1930s. The question these thinkers pondered was whether the United States could remain as a great industrial power within the confines of the Western Hemisphere. What were the minimum geographical requirements for the country's economic and military viability? For all practical purposes this question was answered by the time the United States entered the war. An American hemispheric bloc would not be sufficient; the United States must have security of markets and raw materials in Asia and Europe.[18] If the rimlands of Europe and Asia became dominated by one or several hostile imperial powers, the security implications for the United States would be catastrophic. To remain a great power, the United States must seek openness, access, and balance in Europe and Asia.

This view that America must have access to Asian and European markets and resources—and must therefore not let a potential adversary control the Eurasian landmass—was also embraced by post-war defence planners. As the war was coming to an end, defence officials began to see that America's security interests required the building of an elaborate system of forward bases in Asia and Europe. Hemispheric defence would be inadequate.[19] Defence officials also saw access to Asian and European raw materials—and the prevention of their control by a prospective enemy—as an American security interest. Melvin Leffler notes that 'Stimson, Patterson, McCloy, and Assistant Secretary Howard C. Peterson agreed with Forrestal that long-term American prosperity required open markets, unhindered access to raw materials, and the rehabilitation of much—if not all—of Eurasia along liberal capitalist lines'.[20] Indeed, the base systems were partly justified in terms of their impact on access to raw materials and the denial for such resources to an adversary. Some defence studies went further, and argued that post-war threats to Eurasian access and openness were more social and economic than military. It was

[17] For arguments that the great mid-century struggle was between a open capitalist order and various regional, autarkic challengers, see Bruce Cumings, 'The Seventy Years' Crisis and the Logic of Trilateralism in the New World Order', *World Policy Journal* (Spring 1991); and Charles Maier, 'The Two Postwar Eras and the Conditions for Stability in Twentieth-Century Western Europe', in Maier, *In Search of Stability: Explorations in Historical Political Economy* (New York: Cambridge University Press, 1987).

[18] The culmination of this debate and the most forceful statement of the new consensus was presented in Nicholas John Spykman's *America's Strategy in the World: The United States and the Balance of Power* (New York: HarcourtBrace, 1942).

[19] See Melvyn P. Leffler, 'The American Conception of National Security and the Beginning of the Cold War, 1945–48', *American Historical Review*, 48 (1984), pp. 349–56.

[20] Leffler, 'The American Conception of National Security', p. 358.

economic turmoil and political upheaval that were the real threats to American security, as they invited the subversion of liberal democratic societies and Western-oriented governments. A CIA study concluded in mid-1947: 'The greatest danger to the security of the United States is the possibility of economic collapse in Western Europe and the consequent accession to power of Communist elements'.[21] Access to resources and markets, socioeconomic stability, political pluralism, and American security interests were all tied together.

By the late 1940s, the twin objectives of openness and containment came together. The building of security partnerships and open economic relations with Western Europe and East Asia were essential to fighting the Cold War, while the imperatives of the Cold War reinforced co-operation with America's partners and created domestic support for American leadership. Robert Gilpin argues that the Soviet threat was critical in fostering cohesion among the capitalist democracies and providing the political glue that held the world economy together. Over time, in his view, an elaborate American-led political order emerged that was built on two pillars: the US dollar and the American security umbrella. The American military guarantee to Europe and Asia provided a national-security rationale for Japan and the Western democracies to open their markets. Free trade helped cement the alliance, and in turn the alliance helped settle economic disputes. In Asia, the export-oriented development strategies of Japan and the smaller Asian tigers depended on America's willingness to accept their imports and live with huge trade deficits; alliances with Japan, South Korea, and other Southeast Asian countries made this politically tolerable.[22]

The importance of American power in post-war order building was most evident in the occupation and security binding of Germany and Japan. American troops began as occupiers of the two defeated axis states and never left. They eventually became protectors but also a palpable symbol of America's superordinate position. Host agreements were negotiated that created a legal basis for the American military presence—effectively circumscribing Japanese and West German sovereignty. West German rearmament and restoration of its political sovereignty—made necessary in the early 1950s by a growing Cold War—could only be achieved by binding Germany to Europe, which in turn required a binding American security commitment to Europe. Complex and protracted negotiations ultimately created an integrated European military force within NATO and legal agreements over the character and limits of West German sovereignty and military power.[23] A reciprocal process of security binding lay at the heart of the emerging American system. John

[21] CIA, 'Review of the World Situation as It Relates to the Security of the United States', 26 September, 1947. Quoted in Leffler, 'The American Conception of National Security', p. 364.

[22] Robert Gilpin, *The Challenge of Global Capitalism: The World Economy in the 21st Century* (Princeton, NJ: Princeton University Press, 2000), ch. 2.

[23] A treaty governing the relationship between the new German state and Britain, France, and the United States was signed in 1952, and specified ongoing 'rights and responsibilities' of the three powers. 'Convention on Relations between the Three Powers and the Federal Republic of Germany, 26 May, 1952, as modified by the Paris Accords of October 1954', reprinted in Department of State, *Documents on Germany, 1944–1985* (Washington, DC: Department of State, 1986), pp. 425–30. See also Paul B. Stares, *Allied Rights and Legal Restraints on German Military Power* (Washington, DC: Brookings Institution, 1990). Later, when speculation arose in the 1950s that a German Social Democratic leader might be elected and request the Americans to leave, an Eisenhower official quipped that if this were to happen the United States would respond by doubling the size of its forces in Germany. See Mark Trachtenburg, *A Constructed Peace: The Making of the European Settlement, 1945–1963* (Princeton, NJ: Princeton University Press, 2000).

McCloy identified the 'fundamental principle' of American policy in the early 1950s: that 'whatever German contribution to defence is made may only take the form of a force which is an integral part of a larger international organization. … There is no real solution of the German problem inside Germany alone. There is a solution inside the European-Atlantic-World Community'.[24]

Japan was also brought into the American security and economic orbit during the 1950s. The United States took the lead in helping Japan find new commercial relations and raw material sources in Southeast Asia to substitute for the loss of Chinese and Korean markets.[25] Japan and Germany were now twin junior partners of the United States—stripped of their military capacities and reorganized as engines of world economic growth. Containment in Asia would be based on the growth and integration of Japan in the wider non-communist Asian regional economy—what Secretary of State Dean Acheson called the 'great crescent' in referring to the countries arrayed from Japan through Southeast Asia to India. Bruce Cumings captures the logic: 'In East Asia, American planners envisioned a regional economy driven by revived Japanese industry, with assured continental access to markets and raw materials for its exports'.[26] This strategy would link together threatened non-communist states along the crescent, create strong economic links between the United States and Japan, and lessen the importance of European colonial holdings in the area. The United States would actively aid Japan in re-establishing a regional economic sphere in Asia, allowing it to prosper and play a regional leadership role within the larger American post-war order. Japanese economic growth, the expansion of regional and world markets, and the fighting of the Cold War went together.

Behind the scene, America's hegemonic position was also backed by the reserve and transaction-currency role of the dollar. The dollar's special status gave the United States the rights of 'seigniorage': it could print extra money to fight foreign wars, increase domestic spending, and go deeply into debt without fearing the pain that other states would experience. Other countries would have to adjust their currencies, which were linked to the dollar, when Washington pursued an inflationary course to meet its foreign and domestic policy agendas. Because of its dominance, the United States did not have to raise interest rates to defend its currency, taking pressure off its chronic trade imbalances. In the 1960s, French President Charles de Gaulle understood this hidden source of American hegemony all too well and complained bitterly. But most of America's Cold War allies were willing to hold dollars for fear that a currency collapse might lead the United States to withdraw its forces overseas and retreat into isolationism.

In this post-war bargain, American security protection, its domestic market, and the dollar bound the allies together and created the institutional supports of the stable political order and open world economy. Because the US economy dwarfed other industrial countries, it did not need to worry about controlling the distribution of gains from trade between itself and its allies. The United States provided its

[24] Quoted in Thomas Schwartz, *America's Germany: John J. McCloy and the Federal Republic of Germany* (Cambridge, MA: Harvard University Press, 1991), p. 228.

[25] Michael Schaller, 'Securing the Great Crescent: Occupied Japan and the Origins of Containment in Southeast Asia', *Journal of American History*, 69 (September 1982), pp. 392–414.

[26] Bruce Cumings, 'Japan's Position in the World System', in Andrew Gordon ( ed.), *Postwar Japan as History* (Berkeley, CA: University of California Press), p. 38.

partners with security guarantees and access to American markets, technology, and supplies within an open world economy. In return, East Asian and European allies would become stable partners who would provide diplomatic, economic, and logistical support for the United States as it led the wider American-centred, non-communist post-war order.

## Geography and historical staging

The geographic setting and historical timing of America's rise in power have also shaped the way American primacy has been manifest. The United States is the only great power that is not neighboured by other great powers. This geographical remoteness made the power ascent of the United States less threatening to the rest of the world and it reinforced the disinclination of American leaders to directly dominate or manage great power relations. In the twentieth century, the United States became the world's pre-eminent power but the location and historical entry point of that power helped shaped how this arrival was greeted.

In the 1870s, the United States surpassed Britain as the largest and most advanced economy but because of its geographical remoteness this development—and its continued growth—did not destabilize great power relations. America's era of territorial expansion took place without directly threatening other major states. The European powers had stakes in the New World but not fundamental interests or even—at least by the mid-nineteenth century—a direct presence. The United States purchased territory from France rather than acquiring it by conquest. Indigenous peoples were the main losers in the American pursuit of manifest destiny. Later in the nineteenth century, the United States became the leading industrial power without triggering new interstate rivalries. Germany, of course, was not as geographically lucky and the expansion and unification of Germany unleashed nationalist rivalries, territorial ambitions, arms races, and ultimately world war.[27] More generally, power transitions—with rising powers overtaking *status quo* powers—are dangerous and conflict-prone moments in world history.[28] As European great powers grew in strength, they tended to trigger security dilemma-driven conflict and balancing reactions in their regional neighborhood. But America's remoteness lessened the destabilizing impact of its transition to global pre-eminence.

The open spaces of the new world also meant that American political and economic advancement could take place—at least until 1914—without the development of a war-making strong state.[29] The United States became a world power through the gradual expansion of its industry and economy rather than by the

[27] A.J.P. Taylor, *The Course of German History* (London: Hamish Hamilton, 1945).
[28] On power transitions and hegemonic wars, see Robert Gilpin, *War and Change in World Politics*.
[29] On divergent European and American state building experiences, see Samuel Huntington, *Political Order in Changing Societies* (New Haven, CT: Yale University Press, 1968); Charles Tilly, 'Reflections on the History of European State-Making', in Tilly (ed.), *The Formation of National States in Western Europe* (Princeton, NJ: Princeton University Press, 1975), pp. 3–83; Charles Tilly, *Coercion, Capital, and European States, AD 990–1990* (Oxford: Blackwell, 1990); and Michael Mann, *The Sources of Social Power*, vol. 2: *The Rise of Classes and Nation-States, 1760–1914* (Cambridge: Cambridge University Press, 1993).

orchestration or command of the central government. American power was latent—rooted in an expanding civil society, productive economy, and stable constitutional democracy. Even on the eve of the European war in 1914, the United States had a tiny standing army and little capacity to mobilize or project military force. This made the United States less able to directly manoeuvre among or deter the other great powers but it also made the United States less threatening. American power was submerged within its society and removed from the territorial battlegrounds of the other great powers, thereby allowing it to grow unimpeded and unchecked.

When the United States was drawn into European power struggles, it did so primarily as a offshore balancer.[30] This was an echo of Britain's continental strategy which for several centuries was based on aloofness from European power struggles, intervening at critical moments to tip and restore the balance among the other states.[31] This offshore balancing role was played out by the United States in the two world wars. America entered each war relatively late and tipped the balance in favour of the allies. After World War II, the United States emerged as an equally important presence in Europe, Asia, and the Middle East as an offshore military force that each region found useful in solving its local security dilemmas. In Europe, the reintegration of West Germany into the West was only possible with the American security commitment. The Franco-German settlement was explicitly and necessarily embedded in an American-guaranteed Atlantic settlement. In Joseph Joffe's apt phrase, the United States became 'Europe's pacifier'.[32] In East Asia, the American security pact with Japan also solved regional security dilemmas by creating restraints on the resurgence of Japanese military power. In the Middle East a similar dynamic drew the United States into an active role in mediating between Israel and the Arab states. In each region, American power is seen less as a source of domination and more as a useful tool.

Because the United States is geographically remote, abandonment rather than domination has been seen as the greater risk by many states. As a result, the United States has found itself constantly courted by governments in Europe, Asia and elsewhere. When Winston Churchill advanced ideas about post-war order he was concerned above all in finding a way to tie the United States to Europe.[33] British Foreign Minister Ernest Bevin had similar thoughts when he heard Secretary of State George Marshall's celebrated speech in June 1947 announcing aid for Europe. 'The first thought that came into his mind was not that this gave a prospect of American economic help for Europe. He saw that, and grasped the chance with both hands; but first came the realization that his chief fear had been banished for good. The Americans were not going to do as they had done after the first World War and retreat into their hemisphere. … The keystone of Bevin's foreign policy had swung into place'.[34] As Geir Lundestad has observed, the expanding American political

[30] On the notion of offshore balancing, see Christopher Layne, 'From Preponderance to Offshore Balancing', *International Security*, 22:1 (1997).

[31] See Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Vintage Books, 1989).

[32] Joseph Joffe, 'America: Europe's Pacifier', *The National Interest*. See also Robert Art, 'Why Western Europe Needs the United States and NATO', *Political Science Quarterly*, 111 (1996), pp. 1–39.

[33] See Ikenberry, *After Victory*, ch. 6.

[34] Sir Oliver Franks, in *Listener*, 14 June 1956. Quoted in John W. Wheeler-Bennett and Anthony Nicholls, *The Semblance of Peace: The Political Settlement after the Second World War* (London: Macmillan, 1972), p. 573.

order in the half century after World War II has been in important respects an 'empire by invitation'.[35] The remarkable global reach of American post-war hegemony has been at least in part driven by the efforts of European and Asian governments to harness American power, render that power more predictable, and use it to overcome their own regional insecurities. The result has been a durable system of America-centred economic and security partnerships.

Finally, the historical timing of America's rise in power also left a mark. The United States came relatively late to the great power arena, after the colonial and imperial eras had run their course. This meant that the pursuit of America's strategic interests was not primarily based on territorial control but on championing more principled ways of organizing great power relations. The world had already been carved up by Japan and the European states. As a late-developing great power the United States needed openness and access to the regions of the world rather than recognition of its territorial claims. The American issuance of its Open Door policy toward China reflected this orientation. Woodrow Wilson's championing at Versailles of democracy and self-determination and FDR's support of decolonialization several decades later were also statements of American strategic interests issued as principled appeals.[36] American officials were never fully consistent in wielding such principled claims about order and they were often a source of conflict with the other major states. But the overall effect of this alignment of American geostrategic interests with enlightened normative principles of order reinforced the image of the United States as a relatively non-coercive and non-imperial hegemonic power.

**Institutions, democracy, and strategic restraint**

The American unipolar order is also organized around democratic polities and a complex web of intergovernmental institutions—and these features of the American system alter and mute the way in which hegemonic power is manifest. One version of this argument is the democratic peace thesis: open democratic polities are less able or willing to use power in an arbitrary and indiscriminate manner against other democracies.[37] The calculations of smaller and weaker states as they confront a democratic hegemon are altered. Fundamentally, power asymmetries are less threatening or destabilizing when they exist between democracies. This might be so for several reasons. Open polities make the exercise of power more visible and easy to anticipate. Accountable governments make the exercise of power more predictable and institutionalized. Democracies are more accessible from the outside than non-

[35] Geir Lundestad, 'Empire by Invitation? The United States and Western Europe, 1945–1952', *The Journal of Peace Research*, 23 (September 1986), pp. 263–77. See also Charles Maier, 'Alliance and Autonomy: European Identity and US Foreign Policy Objectives in the Truman Years', in Michael J. Lacey (ed.), *The Truman Presidency* (New York: Cambridge University Press, 1989), pp. 273–98; and David Reynolds, 'America's Europe, Europe's America: Image, Influence, and Interaction, 1933–1958', *Diplomatic History*, 20 (Fall 1996).

[36] See Tony Smith, *America's Mission: The United States and the Worldwide Struggle for Democracy in the Twentieth Century* (Princeton, NJ: Princeton University Press, 1994).

[37] See Bruce Russett and John Oneal, *Triangulating Peace: Democracy, Interdependence, and International Organizations* (New York: Norton, 2001).

democracies. Leaders who rise through the ranks within democratic countries are more inclined to participate in the 'give and take' with other democratic leaders than those who rise up in autocratic and authoritarian states.

In these various ways, European and Asian countries are more willing to co-operate with America because hegemonic power is wielded by a democracy. Processes of interaction between democracies make crude and manipulative exercise of power less likely or consequential. Institutions and norms of consultation and reciprocal influence are manifest in relations across the democratic world. As a result, asymmetries of power do not generate the sort of strategic insecurities and security dilemmas that would otherwise pervade such sharp disparities of power. These facets of democracy are stressed by John Gaddis: 'Negotiation, compromise, and consensus-building came naturally to statesmen steeped in the uses of such practices at home: in this sense, the American political tradition served the country better than its realist critics—Kennan among them—believed it did'.[38]

It is possible to identify several features of American-style hegemony that distinguish it from past hegemonic or imperial powers. Rooted in democratic culture and institutions, American hegemonic is unusually reluctant, open, and highly institutionalized. The reluctant character of American hegemony is seen in the absence of a strong imperial impulse to directly dominate or manage weaker or secondary states within the order. One aspect of this reluctant hegemony has been manifest—ironically—in the very ambitiousness of America's order-building proposals in the twentieth century. The United States has frequently sought to reshape the world precisely so that it would not need to manage it. Woodrow Wilson championed a democratic revolution in Europe because a rising tide of democracy would ensure the working of the League of Nations and a peaceful functioning post-war order. When Wilson presented his Fourteen Points in January 1918, it looked as if the tide of European politics was moving in the liberal and social democratic direction. The revolution in Russia seemed to confirm the democratic revolution that was sweeping the major industrial societies. The United States would lead the world to democracy but it would not rule the world or provide traditional security commitments to Western Europe. An expanding community of democracies would govern itself.[39] To British and French leaders, Wilson seemed to be the very embodiment of the arrogant and pushy American leader—preaching to Europe to reform its politics but stopping short of making real and practical commitments to the security of the continent. But Wilson wanted to transform the world precisely so the United States would not need to rule it.

The same logic informed America's plans for the post-1945 world economy. It is revealing that the initial and most forcefully presented American view of post-war order was the State Department's proposal for a post-war system of free trade. This proposal did not only reflect an American conviction about the virtues of open markets, but it also was a vision of order that would require very little direct American involvement or management.[40] The system would largely be self-regulating, leaving the United States to operate within it, but without the burdens of direct

[38] Gaddis, *We Now Know: Rethinking Cold War History*, p. 50.
[39] This argument is made in Ikenberry, *After Victory*, ch. 5.
[40] Ikenberry, 'Rethinking the Origins of American Hegemony', *Political Science Quarterly*, 104 (1989), pp. 375–400.

and ongoing supervision. This general characteristic was not lost on the Europeans, and it mattered as America's potential partners contemplated whether and how to co-operate with the United States. It meant that the Europeans would need to actively seek to court American involvement in Europe rather than resist it, and it provided some reassurance that the United States would operate within limits and not use its overwhelming power position simply to dominate.

Another aspect of this imperial reluctance is the American eagerness to construct a legitimate international order—that is, an order that is recognized as acceptable and desirable by the countries operating within it. This desire for legitimate order has led the United States to make extensive compromises in its foreign policy goals so as to achieve a mutually agreeable settlement. This orientation was reflected during World War II in the compromises that the United States made in accommodating European views about the post-war world economy. The British and the continental Europeans, worried about post-war depression and the protection of their fragile economies, were not eager to embrace America's stark proposals for an open world trading system, favouring a more regulated and compensatory system.[41] The United States did attempt to use its material resources to pressure and induce Britain and the other European countries to abandon bilateral and regional preferential agreements and accept the principles of a post-war economic system organized around a nondiscriminatory system of trade and payments.[42] The United States knew it held a commanding position and sought to use its power to give the post-war order a distinctive shape. But it also prized agreement over deadlock, and it ultimately moved a great distance away from its original proposals in setting up the various post-war institutions.[43]

Another aspect of the non-imperial American hegemonic orientation is manifest in the lack of a singular grand strategic vision to inform the construction of the American-led post-war order. There is an old quip that Great Britain acquired its Indian empire 'in a fit of absence of mind'. In important respects this is also true of America as it acquired a global order. There was as much inadvertence and unintended consequence as grand design. As the realist narrative presented earlier suggests, important aspects of the American order were engineered—particularly the security alliances—as part of post-war political bargains with Western Europe and Asia. As the same time, however, it is difficult to discern a singular vision or grand strategy in this order. Even after World War II, when the foundations of the American order were put in place, there were many different ideas and projects. Different bureaucracies and political groups, each with its own agenda, went about building a slice of the post-war order. There were the United Nations activists, the free trade groups, and the geopolitical strategists. The post-1945 order was cobbled

[41] The strongest claims about American and European differences over post-war political economy are made by Fred Block, *The Origins of International Economic Disorder* (Berkeley, CA: University of California Press, 1977).

[42] The 1946 British Loan deal was perhaps the most overt effort by the Truman administration to tie American post-war aid to specific policy concessions by allied governments. This was the failed Anglo-American Financial Agreement, which obliged the British to make sterling convertible in exchange for American assistance. See Richard Gardner, *Sterling-Dollar Diplomacy* (New York: McGraw Hill, 1969); and Alfred E. Eckes, Jr., *A Search for Solvency: Bretton Woods and the International Monetary System, 1944–1971* (Austin, TX: University of Texas Press, 1971).

[43] Ikenberry, 'A World Economy Restored: Expert Consensus and the Anglo-American Postwar Settlement', *International Organization*, 46 (1991/92), pp. 289–321.

together. The United States did strike a bargain with the rest of the world but it was largely implicit and manifest in a rolling process of piecemeal institutional agreements and security relationships.

A second major way in which the power asymmetries were made more acceptable to other countries was the liberal democratic structure of the American polity. The open and decentralized character of the American political system provided opportunities for other states to exercise their voice in the operation of hegemonic order, thereby reassuring these states that their interests could be actively advanced and processes of conflict resolution would exist. In this sense, the American post-war order was a 'penetrated hegemony', an extended system that blurred domestic and international politics as it created an elaborate transnational and transgovernmental political system with the United States at the centre.[44]

There are several ways in which the penetrated hegemonic order provided ways for the United States to restrain and commit its power. To begin with, America's mature political institutions organized around the rule of law have made it a relatively predictable and co-operative hegemon. The pluralistic and regularized way in which American foreign and security policy is made reduces surprises and allows other states to build long-term, mutually beneficial relations. The governmental separation of powers creates a shared decision-making system that opens up the process and reduces the ability of any one leader to make abrupt or aggressive moves toward other states. An active press and competitive party system also provide a service to outside states by generating information about United States policy and determining its seriousness of purpose. The messiness of democracy can frustrate American diplomats and confuse foreign observers. But over the long term, democratic institutions produce more consistent and credible policies than autocratic or authoritarian states.

The institutional opportunities for foreign officials to actively work within the American system—exercising voice opportunities—also reduces worries about American power.[45] The fragmented and penetrated American system allows and invites the proliferation of a vast network of transnational and transgovernmental relations with Europe, Japan, and other parts of the world. Diffuse and dense networks of governmental, corporate, and private associations tie the system together. The United States is the primary site for the pulling and hauling of trans-Atlantic and trans-Pacific politics. European and Asian governments do not have elected officials in Washington but they do have representatives.[46] Although this access to the American political process is not fully reciprocated abroad, the openness and extensive decentralization of the American liberal system assures other states that they have routine access to the decision-making processes of the United States.

[44] See Daniel Deudney and Ikenberry, 'The Sources and Character of Liberal International Order', *Review of International Studies*, 25:2 (1999), pp. 179–96.

[45] The notion of 'voice opportunities', drawn for Albert Hirschman's distinction between exit and voice, is discussed in Joseph Grieco, 'The Maastricht Treaty, Economic and Monetary Union and the Neo-Realist Research Programme', *Review of International Studies*, 21, pp. 21–40.

[46] Thomas Risse finds a similar pattern in his study of American-European relations within NATO. See Risse-Kappen, *Cooperation among Democracies* (Princeton, NJ: Princeton University Press, 1994). For patterns in US–Japanese relations, see Peter J. Katzenstein and Yutaka Tsujinaka, '"Bullying", "Buying", and "Binding": US–Japanese Transnational Relations and Domestic Structures', in Thomas Risse-Kappen (ed.), *Bringing Transnational Relations Back In* (Cambridge: Cambridge University Press, 1995).

A final way in which the United States overcame fears of domination was through binding itself institutionally to other states. Security binding means establishing formal institutional links between countries that are potential adversaries, thereby reducing the incentives for each state to balance against the other.[47] Rather than responding to a potential strategic rival by organizing a counter-balancing alliance against it, the threatening state is invited to participate within a joint security association or alliance. By binding to each other, surprises are reduced and expectations of stable future relations dampen the security dilemmas that trigger worst-case preparations, arms races, and dangerous strategic rivalry. Also, by creating institutional connections between potential rivals, channels of communication are established which provide opportunities to actively influence the other's evolving security policy. When states employ institutional binding as a strategy, they are essentially agreeing to mutually constrain themselves. In effect, institutions specify what it is that states are expected to do and they make it difficult and costly for states to do otherwise. In binding itself to its weaker partners, the leading state is giving up some policy autonomy and discretion but gains the non-coerced co-operation of the other states by making itself less threatening.

The United States and its allies built the post-war order around binding institutions. They built long-term political and security commitments—the alliance system itself most importantly—that were difficult to retract. NATO and the US–Japan security treaties were the most important binding institutions in the American system. The old saying that NATO was created to 'keep the Russians out, the Germans down, and the Americans in' is a statement about the importance of the alliance structures for locking in long-term commitments and expectations. The American-Japanese security pact has had a similar 'dual containment' character. These institutions have not only served as alliances in the ordinary sense as organized efforts to balance against external threats, they also provided mechanisms and venues to build political relations, conduct business, and regulate conflict.[48] The binding logic of NATO allowed France and the other Western partners to acquiesce in Germany's military rearmament during the Cold War. Even today, the United States and its European and Japanese partners ward off rivalry and balancing among themselves by maintaining their security alliances. It is the binding logic—more so than the response to external threats—that makes these institutions attractive today.

American-led economic and security institutions provide Germany and Japan with a political bulwark of stability that far transcends their more immediate and practical purposes. Germany has had more opportunities to bind itself to Western Europe and the Atlantic order than Japan has had opportunities in East Asia. The European Community—and later European Union—and the NATO alliance have

[47] See Paul Schroeder, 'Alliances, 1815–1945: Weapons to Power and Tools of Management', in Klaus Knorr (ed.), *Historical Dimensions of National Security Problems* (Lawrence, KS: University of Kansas Press, 1976), pp. 227–62.

[48] On security binding, see Schroeder, 'Alliances, 1815–1945: Weapons to Power and Tools of Management', in Klaus Knorr (ed.), *Historical Dimensions of National Security Problems*. On more recent formulations, see Joseph M. Grieco, 'State Interests and Institutional Rule Trajectories: A Neorealist Interpretation of the Maastricht Treaty and European Economic and Monetary Union', *Security Studies*, 5:3 (1996); and Daniel Deudney, 'The Philadelphian System: Sovereignty, Arms Control, and Balance of Power in the American States-Union', *International Organization*, 49 (Spring 1995), pp. 191–228.

given Germany a layer of institutions with which to bind itself to neighbours and thereby reduce security dilemma instabilities. Indeed, the Christian Democrat Walther Leisler Kiep argued in 1972 that 'the German-American alliance … is not merely one aspect of modern German history, but a decisive element as a result of its pre-eminent place in our politics. In effect, it provides a second constitution for our country'.[49] Japan—because of geography, history, and politics—does not have as many regional institutional options. The US–Japan alliance is currently the only serious institution with which Japan can signal restraint and commitment. As a result, the bilateral alliance has become even more indispensable to Japan and the region.[50]

## Modernization and civic nationalism

American power has been rendered more acceptable to the rest of the world because the United States 'project' is congruent with the deeper forces of modernization. The point here is not that the United States has pushed other states to embrace its goals and purposes but that all states are operating within a transforming global system—driven by modernization, industrialization, and social mobilization. The synchronicity between the rise of the United States as a liberal global power and the system-wide imperatives of modernization create a sort of functional 'fit' between the United States and the wider world order. If the United States were attempting to project state socialist economic ideas or autocratic political values, its fit with the deep forces of modernization would be poor. Its purposes would be resisted around the world and trigger resistance to American power. But the deep congruence between the American model and the functional demands of modernization both boost the power of the United States and make its relationship with the rest of the world more harmonious.

Modernization is a slippery notion that is difficult to specify but generally refers to the processes whereby historically evolved institutions are adapted to the changing demands and opportunities created by ongoing scientific, technological, and industrial revolutions.[51] These processes had their origins in the societies of Western Europe but in the last two centuries have extended to societies in other regions and have resulted in a worldwide transformation in human relations. Some accounts have been concerned primarily with political modernization while others have focused on societal changes that accompany industrialization.[52] Theorists of industrial modern-

[49] Quoted in Thomas Schwartz, 'The United States and Germany after 1945: Alliances, Transnational Relations, and the Legacy of the Cold War', *Diplomatic History*, 19:4 (1995), p. 555.

[50] For a discussion on this basic difference between Japan and Germany, see Erica Gould and Stephen D. Krasner, 'Germany and Japan: Binding *versus* Autonomy', in Wolfgang Streeck and Kozo Yamamura (eds.), *Germany and Japan: The Future of Nationally Embedded Capitalism in a Global Economy* (forthcoming).

[51] See C. E. Black, *The Dynamics of Modernization: A Study in Comparative History* (New York: Harper and Row, 1966; and Edward L. Morse, *Modernization and the Transformation of International Relations* (New York: Free Press, 1976). For a survey of modernization ideas, see Krishan Kumar, *Prophecy and Progress: The Sociology of Industrial and Post-Industrial Society*, (New York: Penguin Books, 1978).

[52] Huntington, *Political Order in Changing Societies*; and Ralf Dahrendorf, *Class and Class Conflict in Industrial Society* (Stanford, CA: Stanford University Press, 1959).

ism have focused specifically on industrial society and emphasized variations and contingencies in the ability of societies to adapt and take advantage of unfolding advances in science, technology, and industrialism.[53]

Industrialization is a constantly evolving process and the social and political characteristics within countries that it encourages and rewards—and that promote or impede industrial advancement—change over time and as countries move through developmental stages. In this sense, the fit between a polity and modernization is never absolute or permanent, as the changing virtues and liabilities of the Japanese developmental state makes clear.[54] Industrialism in advanced societies tends to feature highly educated workforces, rapid flows of information, and progressively more specialized and complex systems of social and industrial organization. These features of industrial society—sometimes called late-industrialism—tend to foster a citizenry that is heterogenous, well educated, and difficult to coerce.[55] From this perspective it is possible to see why various state socialist and authoritarian countries—including the Soviet Union—ran into trouble as the twentieth century proceeded. The old command order impeded industrial modernization while, at the same time, industrial modernization undercut the old command order.[56] In contrast, the American polity has tended to have a relatively good fit with the demands and opportunities of industrial modernization. European and Asian forms of capitalist democracy have also exhibited features that seem in various ways to be quite congruent with the leading edge of advanced industrial development.[57] The success of the American model is partly due to the fact that it used its post-war power to build an international order that worked to the benefit of the American style of industrial capitalism. But the success of the American model—and the enhanced global influence and appeal that the United States has experienced in recent decades—is also due to the deep congruence between the logic of modernization and the American system.

The functionality between the United States polity and wider evolutionary developments in the international system can also be traced to the American political identity—which is rooted in civic nationalism and multi-culturalism. The basic distinction between civil and ethnic nationalism is useful in locating this feature. Civic nationalism is group identity that is composed of commitments to the nation's political creed. Race, religion, gender, language, or ethnicity are not relevant in defining a citizen's rights and inclusion within the polity. Shared belief in the country's principles and values embedded in the rule of law is the organizing basis for political order, and citizens are understood to be equal and rights bearing

[53] See Raymond Aron, *The Industrial Society: Three Essays on Ideology and Development* (New York: Clarion Books, 1966); Leon Lindberg (ed.), *Politics and the Future of Industrial Society* (New York: David McKay, 1976); and Clark Kerr, *The Future of Industrial Societies: Covergence or Continuing Diversity?* (Cambridge, MA: Harvard University Press, 1983).

[54] See Meredith Woo-Cumings (ed.), *The Developmental State* (Ithaca, NY: Cornell University Press, 1999).

[55] See Daniel Dell, *The Coming of Post-Industrial Society* (New York: Basic Books, 1973).

[56] See Daniel Deudney and G. John Ikenberry, 'Soviet Reform and the End of the Cold War: Explaining Large-Scale Historical Change', *Review of International Studies*, 17 (1991), pp. 225–250.

[57] For a discussion of the variety of advanced industrial democratic forms, see Herbert Kitschelt, Peter Lange, Gary Marks, and John D. Stephens, 'Convergence and Divergence in Advanced Capitalist Democracies', in Kitschelt, Lange, Marks, and Stephens (eds.), *Continuity and Change in Contemporary Capitalism* (Cambridge: Cambridge University Press, 1999).

individuals. Ethnic nationalism, in contrast, maintains that individuals' rights and participation within the polity are inherited—based on ethnic or racial ties.[58]

Civic national identity has four sorts of implications for the orientation—and acceptability—of American hegemonic order. First, civic identity has tended to encourage the American projection outward of domestic principles of inclusive and rule-based international political organization. The American national identity is not based on ethnic or religious particularism but on a more general set of agreed-upon and normatively appealing principles. Ethnic and religious identities and disputes are pushed downward into civil society and removed from the political arena. When the United States gets involved in political conflicts around the world it tends to look for the establishment of agreed-upon political principles and rules to guide the rebuilding of order. Likewise, when the United States promotes rule-based solutions to problems it is strengthening the normative and principled basis for the exercise of its own power—and thereby making disparities in power more acceptable.

Second, because civic nationalism is shared with other Western states it tends to be a source of cohesion and co-operation. Throughout the industrial democratic world, the dominant form of political identity is based on a set of abstract and juridical rights and responsibilities which coexist with private ethnic and religious associations. Just as warring states and nationalism tend to reinforce each other, so too do Western civic identity and co-operative political relations reinforce each other. Political order—domestic and international—is strengthened when there exists a substantial sense of community and shared identity. It matters that the leaders of today's advanced industrial states are not seeking to legitimate their power by making racial or imperialist appeals. Civic nationalism, rooted in shared commitment to democracy and the rule of law—provides a widely-embraced identity across most of the American hegemonic order. At the same time, potentially divisive identity conflicts—rooted in antagonistic ethnic or religious or class divisions—are dampened by relegating them to secondary status within civil society.[59]

Third, the multicultural character of the American political identity also reinforces internationalist—and ultimately multilateral—foreign policy. John Ruggie notes that culture wars continue in the United States between a pluralistic and multicultural identity and nativist and parochial alternatives, but that the core identity is still 'cosmopolitan liberal'—an identity that tends to support instrumental multilateralism. '[T]he evocative significance of multilateral world order principles—a bias against exclusive bilateralist alliances, the rejection of discriminatory economic blocs, and facilitating means to bridge gaps of ethos, race, and religion—should resonate still for the American public, insofar as they continue to reflect its own sense of national identity'.[60] The American society is increasingly heterogenous in race, ethnicity, and religion. This tends to reinforce an activist and inclusive foreign

[58] This distinction is made by Anthony D. Smith, *The Ethnic Origins of Nations* (Oxford: Blackwell, 1986). For an important reconceptualization of nationalism—emphasizing the strategic use of national identity by elites—see Michael Hechter, *Containing Nationalism* (Oxford: Oxford University Press, 2000).

[59] See Daniel Deudney and G. John Ikenberry, 'The Nature and Sources of Liberal International Order', *Review of International Studies*, 25:2 (1999).

[60] John Gerard Ruggie, *Winning the Peace: America and World Order in the New Era* (New York: Columbia University Press, 1996), p. 170.

policy orientation and a bias in favour of rule-based and multilateral approaches to the organization of hegemonic power.[61]

Finally, the American civic identity has tended to give the United States an unusual ability to absorb and integrate immigrants within a stable yet diverse political system. This integrative capacity will grow in importance. The mature industrial democracies are all experiencing a decline in their birth rates and a gradual population ageing. In the decades ahead, many of these countries—most notably Japan and Italy—will see their populations actually shrink with a smaller workforce unable to support an ageing demographic bubble. Immigration is increasingly a necessary aspect of economic growth. If Japan and other industrial societies are to maintain their population size and social security provisions they will need to open the door wide to immigration—but these imperatives are fiercely resisted.[62] The American willingness and ability to accept immigrants—putting it on the receiving end of the brain drain—already gives it an edge in knowledge and service industries. These advantages will only grow in the future and keep the United States at the dynamic centre of the world economy. Multinational and multi-ethnic empires of the nineteenth century ultimately failed and were broken apart in the twentieth century. Built on a civic national base, the United States has pioneered a new form of multicultural and multi-ethnic political order that appears to be stable and increasingly functional with the demands of global modernization.

## Conclusion

The world has seen many great powers rise up to dominate the international system. Charles V, Louis XIV, Napoleon I, Wilhelmine and Nazi Germany—each became a hegemonic threat to Europe and triggered a backlash that rearranged the geopolitical landscape. Today it is the United States that looms about all other states and the question that many observers pose is: will the United States suffer a similar fate? 'There is one ideology left standing, liberal democratic capitalism, and one institution with universal reach, the United States', observes Fareed Zakaria. 'If the past is any guide, America's primacy will provoke growing resistance'.[63] Resistance has in fact appeared and may be growing. But it is remarkable that despite the sharp shifts in the distribution of power, the other great powers have not yet responded in a way anticipated by balance of power theory.

This article argues that American power—and the American unipolar order—is different and less threatening to other states than that which is envisaged in theoretical and historical claims about the balance of power. A variety of features associated with American hegemony—rooted in geography, history, ideology,

[61] On the ways in which American ethnic groups encourage foreign policy activism, see Tony Smith, *Foreign Attachments: The Power of Ethnic Groups in the Making of American Foreign Policy* (Cambridge, MA: Harvard University Press, 2000).

[62] See Christian Joppke, *Immigration and the Nation-State* (New York: Oxford University Press, 1999).

[63] Fareed Zakaria, 'The Empire Strikes Out', *New York Times Magazine*, 18 April 1999, p. 99. For views along these lines, see Peter W. Rodman, 'The World's Resentment: Anti-Americanism as a Global Phenomenon', *The National Interest*, no. 60 (Summer 2000), pp. 33–41; and Samuel Huntington, 'The Lonely Superpower', *Foreign Affairs*, 78:2 (March/April 1999), pp. 35–49.

democracy, institutional structures, and modernization itself—make it different from past great powers. These characteristics of American power mute and restrain that power and alter the risk calculations of weaker and secondary states. It also matters that these restraining characteristics are deeply rooted in the American polity. American power is reluctant, open, and highly institutionalized. It is also situated offshore from the other great powers which spares it from regional antagonisms and rivalries. American power is also able to deploy its power to solve problems for other states—particularly regional security dilemmas—and this weakens the incentives other states might have to engage in counter-balancing.

The United States used its power in the 1940s and afterwards to build a world order. An entire system of alliances, multilateral institutions, and entangling relations have emerged, such that it is possible to talk about American unipolarity as a distinctive political formation. *Pax Americana* is not just a powerful country throwing its weight around. It is a political formation with its own logic and laws of motion. It is an order that was created and sustained by American power but it is also not simply a reflection of that power. Indeed, it is the ability of this order to mute the impact of power symmetries that give it its durability. The deep congruence between the internal American political system—and its civic and multicultural identity—and the long-term project of modernity also gives the unipolar order robustness. The United States remains at the core of this order but it is an order that now has a life of its own.