Getting Hegemony Right

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In May 1999 the Oxford Union debated the proposition, “Resolved, the United States is a rogue state.” The resolution was ultimately defeated, but around the world there is growing unease about a global order dominated by American power—power unprecedented, unrestrained and unpredictable. The unease is felt even by America’s closest allies. “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,” French Foreign Minister Hubert Védrine observed in a speech in Paris in early 1999. “It is not comparable, in terms of power and influence, to anything known in modern history.” European diplomats, following Védrine’s coining of the term, have begun calling the United States a “hyperpower.” During the Cold War, the Soviet Union and the United States kept each other in check. Today the restraints are less evident, and this has made American power increasingly controversial.

This is an unexpected turn of events. Just a little over a decade ago many pundits argued that the central problem of U.S. foreign policy was the graceful management of the country’s decline. Paul Kennedy’s famous book, *The Rise and Fall of the Great Powers*, argued that the United States would go the way of all great powers—down. Japan was on the rise and Europe was awakening. World politics after the Cold War, it was widely assumed, was to be profoundly multipolar.

But the distribution of world power took a dramatic turn in America’s favor. 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 during the 1990s. Today it is not decline that the United States must manage but the fear, resentment and instabilities created by a decade of rising American power.

A global backlash to U.S. power is not inevitable, however, particularly if the United States remembers its own political history. Our leaders have the ideas, means and political institutions that can allow for stable and cooperative order even in the midst of sharp and shifting asymmetries of power. The United States faced this problem after World War II and solved it by building what might be called a “stakeholder” hegemony. America can do it again today.

The Dangers of Success

THE UNITED STATES has a hegemony problem for a simple reason: It started the decade of the 1990s as the world’s only superpower and then proceeded to have a better decade than any other power. Disparities in economic and military power between the United States and the other major states widened. Between 1990 and 1998, U.S. economic growth (27 percent) was almost twice that of the European Union (15 percent) and three times that of Japan (9 percent). The weakness of the euro since its launch is ultimately a result of these divergent European and U.S. economic trends. While Europe and Japan have struggled with economic restructuring, America has ridden the wave of the “New Economy” and rising productivity. The United States also reduced defense spending at a slower rate after the Cold War than the other major powers, resulting in greater relative military capabilities by the end of the 1990s. In fact, it has come close in recent years to monopolizing military-related research and development, spending roughly 80 percent of the world’s total. These developments have resulted in an extremely lopsided distribution of world power. The U.S. economy has slowed in recent months, but the disparities in wealth creation remain.

While such brute material disparities might normally be hidden below the surface, recent developments have rendered them salient and provocative. The U.S.-led NATO air campaign over Kosovo in 1999 provided at times dramatic—and, to countries such as China and Russia, disturbing—evidence of America’s military and technological advantage. The squabble between the United States and Germany over the leadership of the International Monetary Fund (IMF) also gave the impression that America had acquired a taste for dominance. Washington similarly bullied Japan during the East Asian financial crisis, opposing Tokyo’s plan for an Asian Monetary Fund and insisting on American-approved remedies. Bipartisan support for a national missile defense, despite the opposition of the other major states and its potentially unsettling consequences for world security relationships, is another source of resentment and suspicion. In the meantime, the expansion and integration of world markets—unfolding under the banner of globalization—are seen by many as a Washington-directed phenomenon that spreads American values and disproportionately favors American interests. For these and many other reasons, it is widely believed around the world today that the global distribution of power is dangerously out of balance.

Realist thinkers argue that what is happening is not surprising. Balance of power theory makes a clear prediction: Weaker states will resist and balance against the predominant state. According to realists, security—indeed survival—is the fundamental goal of states, and, because states cannot ultimately rely on the commitments or guarantees of other states to ensure their security, they 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 alternative is to risk domination. A leading scholar of balance of power theory, Kenneth Waltz, argues that with the end

1 Calculated from OECD statistics (July 1999 web edition). GDP measures are figured at 1990 prices and exchange rates.
of the Cold War, relations between the United States and its allies will loosen and move toward a more traditional balance of power model. With the end of bipolarity, "the United States as the strongest power will often find other states edging away from it: Germany moving toward Eastern Europe and Russia, and Russia moving toward Germany and Japan." According to this view, unipolarity is simply not stable. Eventually, the anarchic character of international politics will reassert itself: economic rivalry, security dilemmas, alliance decay and balance of power politics among the major states.

The driving forces of this expected global reaction are the everyday frustrations and worries that are produced by sharp power disparities. Because of the size of the United States, little shifts in U.S. policy can have huge consequences for other states. The Europeans will slowly expand their investments in autonomous military capabilities and increasingly articulate an independent strategic vision. Japan will expand its diplomatic engagement of East Asia, quietly launching independent security dialogues with other states in the region. At the same time, there is little in America's environment to discipline the exercise of Washington's power. It is hard for the world to ignore or work around the United States regardless of the issue—trade, finance, security, proliferation or the environment.

But while the world worries about what America does next—or neglects to do—the United States needs to worry very little about what the rest of the world does. In such a benign and unchallenged environment, U.S. foreign policy tends to be driven by domestic politics or the current policy tastes of its leaders. The sad fact is that in a world of unipolar power Americans need to know very little about what other governments or peoples think, but foreigners must worry increasingly about the vagaries of congressional campaigns and the idiosyncratic prejudices of congressional committee chairmen.

For those who see this world as inherently unstable, the existing world order will change not in large, dramatic leaps but in small steps. The great powers in Europe and Asia will begin making minute adjustments to protect themselves from the uncertainties of American power. Even in more balanced times, secondary states have worried about the ability of the United States simultaneously to restrain and commit itself. As the power imbalance has grown more extreme, America's willingness and ability to show restraint and make commitments is increasingly thrown into question. One can only imagine the discussions that go on, for example, in diplomatic cables between Paris and Berlin. Paris has never wanted to be a "junior partner in the American project", as one French official recently observed. Worried states are making small adjustments, creating alternatives to alliance with the United States. These small steps may not look important today, but eventually the ground will shift and the U.S.-led postwar order will fragment and disappear.

The Acceptable Face of American Power

This bleak vision of backlash and strategic rivalry is not destiny. Indeed, the most striking fact of international life in the decade since the end of the Cold War is that stable and cooperative relations

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3 For views along these lines, see Peter W. Rodman, "The World's Resentment: Anti-Americanism as a Global Phenomenon", The National Interest (Summer 2000); and Samuel Huntington, "The Lonely Superpower", Foreign Affairs (March/April 1999).

between the democratic great powers continue largely unabated. In some ways these relations have actually deepened, such as with the creation of the World Trade Organization and the expansion of intergovernmental working groups under the auspices of the G-7. One reason for this is simple enough: There is a broad convergence of interests among the advanced industrial countries, all of which share deeply held common commitments to economic openness, democracy and multilateral management of global issues. The huge start-up costs of establishing an alternative to the U.S.-centered system also probably deter the other major states.

A critical ingredient in stabilizing international relations in a world of radical power disparities is the character of America itself. The United States is indeed a global hegemon, but because of its democratic institutions and political traditions it is—or can be—a relatively benign one. Joseph Nye's arguments on "soft power" of course come to mind here, and there is much to his point. But, in fact, there are other, more significant aspects of the American way in foreign policy that protect the United States from the consequences of its own greatness.

When other major states consider whether to work with the United States or resist it, the fact that it is an open, stable democracy matters. The outside world can see American policymaking at work and can even find opportunities to enter the process and help shape how the overall order operates. Paris, London, Berlin, Moscow, Tokyo and even Beijing—in each of these capitals officials can readily find reasons to conclude that an engagement policy toward the United States will be more effective than balancing against U.S. power.

America in large part stumbled into this open, institutionalized order in the 1940s, as it sought to rebuild the postwar world and to counter Soviet communism. In the late 1940s, in a pre-echo of today's situation, the United States was the world's dominant state—constituting 45 percent of world GNP, leading in military power, technology, finance and industry, and brimming with natural resources. But America nonetheless found itself building world order around stable and binding partnerships. Its calling card was its offer of Cold War security protection. But the intensity of political and economic cooperation between the United States and its partners went well beyond what was necessary to counter the Soviet threat. As the historian Geir Lundestad has observed, the expanding American political order in the half century after World War II was in important respects an "empire by invitation."

The remarkable global reach of American postwar hegemony has been at least in part driven by the efforts of European and Asian governments to harness U.S. power, render that power more predictable, and use it to overcome their own regional insecurities. The result has been a vast system of America-centered economic and security partnerships.

Even though the United States looks like a wayward power to many around the world today, it nonetheless has an unusual ability to co-opt and reassure. Three elements matter most in making U.S. power more stable, engaged and restrained.

First, America's mature political institutions organized around the rule of law have made it a relatively predictable and cooperative hegemon. The pluralistic and regularized way in which U.S. foreign and security policy is made reduces surprises and allows other states to build long-term, mutually beneficial relations. The governmental separation of powers cre-

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ates 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 U.S. policy and determining its seriousness of purpose. The messiness of a democracy can, indeed, frustrate American diplomats and confuse foreign observers. But over the long term, democratic institutions produce more consistent and credible policies—policies that do not reflect the capricious and idiosyncratic whims of an autocrat.

Think of the United States as a giant corporation that seeks foreign investors. It is more likely to attract investors if it can demonstrate that it operates according to accepted accounting and fiduciary principles. The rule of law and the institutions of policymaking in a democracy are the political equivalent of corporate transparency and accountability. Sharp shifts in policy must ultimately be vetted within the policy process and pass muster by an array of investigatory and decision-making bodies. Because it is a constitutional, rule-based democracy, outside states are more willing to work with the United States—or, to return to the corporate metaphor, to invest in ongoing partnerships.

This open and decentralized political process works in a second way to reduce foreign worries about American power. It creates what might be called “voice opportunities”—that is, opportunities for political access and, with it, the means for foreign governments and groups to influence the way Washington’s power is exercised. In 1990 the political analyst Pat Choate wrote a bestseller entitled Agents of Influence, detailing the supposedly scandalous ways in which Japanese ministries and corporations were manipulating the American political process. High-priced lobbyists were advancing Tokyo’s commercial interests within the hallowed halls of the American capital and undermining the pursuit of the U.S. national interest. Today Washington is even more inundated by foreign diplomats and revolving-door lobbyists working to ensure that the interests of America’s partners are not overlooked. Looked at from the perspective of the stable functioning of America’s hegemonic order, Choate was actually describing one of the brilliant aspects of the United States as a global power. By providing other states opportunities to play the game in Washington, they are drawn into active, ongoing partnerships that serve the long-term strategic interests of the United States.

A third and final element of the American order that reduces worry about power asymmetries is the web of multilateral institutions that mark the postwar world. After World War II, the United States launched history’s most ambitious era of institution-building. The UN, IMF, World Bank, NATO, GATT and other institutions that emerged provided a more extensive rule-based structure for political and economic relations than anything seen before. The United States had been deeply ambivalent about making permanent security commitments to other states and about allowing its political and economic policies to be dictated by intergovernmental bodies. The Soviet menace was critical in overcoming these doubts. Networks and political relationships were built that—paradoxically—made U.S. power both more far-reaching and durable but also more predictable and malleable.

In effect, the United States spun a web of institutions that connected other states to an emerging American-dominated economic and security order. But in doing so, these institutions also bound the United States to other states and reduced—at least to some extent—Washington’s ability to engage in the arbitrary and indiscriminate exercise of
power. Call it an institutional bargain. The price for the United States was a reduction in Washington's policy autonomy, in that institutional rules and joint decision-making reduced U.S. unilateralist capacities. But what Washington got in return was worth the price. America's partners also had their autonomy constrained, but in return were able to operate in a world where U.S. power was more restrained and reliable.

Secretary of State Dean Rusk spelled out the terms of the bargain in testimony before the Senate Foreign Relations Committee in 1965:

We are every day, in one sense, accepting limitations upon our complete freedom of action. . . . We have more than 4,300 treaties and international agreements, two-thirds of which have been entered into in the past 25 years. . . . Each one of which at least limits our freedom of action. We exercise our sovereignty going into these agreements.

But Rusk argued that these agreements also create a more stable environment within which the United States can pursue its interests. "Law is a process by which we increase our range of freedom" and "we are constantly enlarging our freedom by being able to predict what others are going to do." The United States gets a more predictable environment and more willing partners.

There have been many moments when Asian and European allies have complained about the heavy-handedness of U.S. foreign policy, but the open and institutionalized character of the American order has minimized the possibilities of hegemonic excess over the long term. The untoward implications of sharp power asymmetries are reduced, cooperation and reciprocity are regularized, and the overall hegemonic order is rendered more legitimate and stable. The bargain—on both sides—remains intact.

Renewing the Institutional Bargain

America's soaring power in the 1990s has put this open and rule-based postwar order to the test. Over the last fifty years, the advanced industrial states have been relatively confident that the institutional foundations of this order would guard against the worst abuses of U.S. unilateralism and domination. The system had characteristics of a stakeholder hegemony that promoted stability and cooperation. Today, in various political circles around the world, it is harder for some people to make this judgment. Even the leader of a major U.S. ally, German Chancellor Gerhard Schröder, has raised concerns. "That there is a danger of unilateralism, not by just anybody but by the United States, is undeniable."7

The implication of my argument is that the more America's brute power capabilities emerge from behind mutually acceptable rules and institutions, the more that power will provoke reaction and resistance. American leaders are indeed ambivalent about entangling the country in restraints and commitments. In the past, however, these leaders have consistently concluded that some restraint on U.S. autonomy was a useful way to allay the worries of other states and bind them to America's postwar global political-economic order. As Robert Zoellick, former undersecretary of state and now U.S. Trade Representative in the Bush administration, describes the operation of this postwar order:

The more powerful participants in this system—especially the United States—did

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not forswear all their advantages, but neither did they exercise their strength without substantial restraint. Because the United States believed the Trilateral system was in its interest, it sacrificed some degree of national autonomy to promote it. 8

What can America do to prevent the unraveling of this order? Three suggestions are offered here. First, U.S. officials should keep the country’s current good fortunes in historical perspective. This might induce a bit more modesty. America’s long-time rival from outside the advanced democratic world—Russia—now has an economy about the size of Denmark’s. America’s one-time rival from within the advanced democratic world—Japan—has gone through ten years of economic stagnation, with no end in sight. China is still a developing country in terms of both economic and military capabilities, far from being able to challenge the United States in either arena. Western Europe is stable and expanding, but it is consumed with its own union, embarked on a politically difficult economic restructuring, and still is not capable of projecting global power. This unusual—perhaps unique—set of circumstances gives the United States a de facto license to act as the world’s manager and CEO. But U.S. officials should remember that the wheel of world power does turn. Russia will not be down forever, nor will Japan. Europe will eventually get its house in order. The way America treats the other major states when they are in decline will influence how these states treat America when—not if—they recover.

Second, the United States needs to renew the postwar institutional bargain by making it more explicit and more encompassing. This means that America must make it clear that it will play by multilateral rules in exchange for cooperation by other states on issues that matter most to us. The U.S. government should bury once and for all legislation such as Super 301 and the Helms-Burton Act, which give the president authority to act unilaterally to protect narrow economic interests. Such exercises of U.S. power create more problems than they solve. The United States should also expand its capacity to consult with other governments throughout the policymaking process. Washington is not just the capital of the country or even of “the West”; it is also—at least for a few more decades—the capital of a larger global order. These foreign stakeholders must be brought more fully into our policy process. Increasing opportunities to voice opinions can be achieved informally in the day to day willingness of U.S. officials to consult with other governments. If not, Washington risks an ultimate shift toward some other form of global order.

President George W. Bush seemed to acknowledge the dangers of an overweening foreign policy—and chest thumping about America as the “indispensable nation”—during one of the presidential debates, when he called for more modesty as America operates around the world. The Bush team has also made “listening to our allies” a central theme of its foreign policy. Whether this is more than hollow campaign rhetoric will depend on how the new administration acts on such issues as U.S. participation in peacekeeping operations, national missile defense, and a variety of proposed multilateral political and environmental accords.

Preserving the existing system through the redoubling of rule-based relationships will also require American elites to elevate the domestic debate on 8Zoellick, “The United States”, in Zoellick et al., 21st Century Strategies of the Trilateral Countries: In Concert or Conflict?, Report No. 53 (New York: Trilateral Commission, 1999), p. 5.
international commitments and institutions. The old canard that building international rules and authority threatens American sovereignty is still too tempting to many politicians on the Left and Right. The argument that many—if not most—of the existing multilateral institutions are inspired by U.S. leadership and advance the country's goals needs to be made more convincing to the American people. Politicians are more likely to stress the short-term costs to the United States in terms of lost policy autonomy or sovereignty than the gains in building an enlightened order that serve long-term U.S. interests.

Finally, the United States needs to find more ways to pursue its economic and security goals through joint or multilateral decision-making exercises. A good example of such intergovernmental processes that create stakeholder cooperation is the 1999 Perry commission on North Korea. Responding to a congressional request for a reassessment of U.S. policy toward North Korea, the Clinton administration charged former Secretary of Defense William Perry with the task of policy review. The deliberations eventually involved extensive talks with Japan and South Korea. In a de facto way, the commission became multilateral, and Japanese and South Korean officials were integrated into the process and ultimately helped shape its content. The Perry report helped clarify U.S. policy toward North Korea, but the process by which it was generated also helped build consensus in the region on how to deal with that state. It also made American involvement in the region more consistent with the goals of partner states. The G-8 process—which in recent years has launched ongoing intergovernmental working groups to pursue common approaches to issues such as transnational organized crime and environmental policy—is also a place where coordinated policymaking can be expanded.

America's unipolar moment need not end in antagonistic disarray. But the United States needs to rediscover the solutions that it has brought to the problem of unequal power in the past. These solutions are celebrated in our national political tradition. The rule of law, constitutional principles and inclusive institutions of political participation ensure that governance is not simply a product of wealth or power. The wealthy and the powerful must operate within principled institutional parameters. Because a rule-based order generates more stable and cooperative relations within the country, even the wealthy and powerful gain by avoiding social upheaval, which puts everyone's interests at risk. America can once again take this old domestic insight and use it to shape post-Cold War international relations. And it is time to do so now, when America's relative power may be at its peak.

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**Clarity at Last?**

Are we all clear that we want to build something that can aspire to be a world power? In other words, not just a trading bloc but a political entity. Do we realize that our nation-states, taken individually, would find it far more difficult to assert their existence and their identity on the world stage?
