

**ABSTRACT:**

Gowan challenges the usefulness of world-system theory in accounting for the emergence of an American world empire. His argument is based on one fundamental assumption, that of overwhelming U.S. power in the contemporary period. The assumption, however, is flawed. The U.S. is clearly an uncontested military superpower, a world leader with the ability to project its power and interests around the world. But its economic hegemony is in decline, and it is no longer the overwhelming presence it once was in the

world-economy. Moreover, Gowan is unable to support his thesis that the U.S. is becoming an empire over Europe. Although the U.S. occupation and administration of Iraq is an example of colonial imperialism, there is no evidence to show that the U.S. has begun to establish a core-wide empire. On the contrary, U.S. political control over Europe has declined to its lowest level in the post-WWII period. The persuasiveness of world-system theory in explaining the changing global political economy remains strong.

Gowan presents us with three questions about world-system theory. These are interesting and important questions for debate, and we should thank him for raising them. All three questions hinge upon one empirical assumption: that the United States has become such an overwhelming global power that it defies the predictions and precepts of the theory. He provides no evidence to support this assumption, but it is crucial to his argument. The first question about the persuasiveness of the theory presumes the answer to the second question, that the reach and depth of the power of the U.S. is not captured by the theory. Likewise, question three about the conceptual validity of no modern core-wide empires presumes that U.S. power has expanded to such an extent that its relationship to the rest of the core is imperial rather than hegemonic. To be sure, Gowan discusses other issues, such as the prescient idea that France would lead the opposition to an American imperium. Nevertheless, the assumption of overwhelming U.S. power is the key to his entire argument. We can argue about the theoretical questions, but first we have to examine the empirical assumption. If the assumption is incorrect, then the rest of the argument is unsound. Hence, I will examine the comparative evidence of U.S. military and economic power, applying what this means to theories of world leadership, hegemony, and empire.

When one talks of the power of nations, generally this comes in two forms: military power and economic power. Of these two, Gowan only focuses on military power. Yet even here, he provides no measures for his argument about U.S. supremacy; it is only assumed. To be sure, with the fall of the Soviet Union there has been no real military competitor to the U.S. for world leadership.

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Leadership, however, is not the same as hegemony, and we need to make a distinction between the two. Leadership is mainly a military concept that means the ability to project one's power and interests around the world (Modelski and Thompson 1988). World leaders will have a concentration of weaponry with global reach and a sizable difference over their nearest competitors. Hegemony has a more economic focus. Perhaps the best description of hegemony comes from Gramsci (1971), who explains how the dependence of economic growth on profitability gives capitalists a hegemonic position over state and cultural institutions even without direct control. In world-system theory, a hegemon is a state that predominates over the world-economy to such an extent that the rest of the world is dependent on the growth of the hegemon (Wallerstein 1984). It sets 'universal' rules that apply to everyone equally, but which match its own interests. These 'universal' rules and the international institutions that enforce them constitute a new world order. World orders are the agreed upon rules of international relations represented in treaties or international organizations, though these often only symbolize a more extensive general understanding and normative rules enforced by reciprocal or isomorphic interaction (see Boswell and Chase-Dunn 2000; Holsti 1991; Meyer 1987, 1999). All hegemonies are world leaders, but not all leaders achieve hegemony.

Modelski and Thompson (1988) have measured world leadership in terms of naval capacity with global reach over the last 500 years. They show a U.S. world leadership emerging during WWII with a near monopoly on sea power with global reach, which deteriorated steadily up to the 1970s, where it leveled off at about 60% of the total. In an update of the sea power research, Joshua Kane found that U.S. global reach remains at 60% of the total in 2000 (Kane 2002; see also Boswell, forthcoming). However, there is one dramatic difference: with the demise of the Soviet Union, the U.S. no longer has any competition (for now). Not since holding a nuclear monopoly in the forties has its relative position been as strong. At that time the US pushed through a series of international institutions—UN, NATO, IMF, etc.; now it is doing the opposite.

What are we to make of this? Clearly, the US is the world leader, an uncontested superpower. There are many aspects to being a lone superpower that give the U.S. leverage in the world economy, but there are also aspects that are a burden. Gowan only considers the possible leverage, ignoring the burdens. The leverage and benefits of military power are greatest at the beginning, in the post-war aftermath. This is when international institutions are created to enforce the 'universal' rules of the new world order. The theory of hegemonic decline, however, includes the argument that one process that causes decline is the military overextension of the hegemon (Kennedy 1988). While all core countries benefit from the order provided by the superpower, they can free ride on the costs.

The more equal the economic competition becomes as the hegemon declines, the more likely it is to use its superior military force for narrow national gains through imperial goals, rather than through the universal goals associated with hegemony. There is no obviously correct choice: pursue national gains and risk retaliation from core competitors, or pursue universal goals and risk core competitors gaining more but paying little of the cost. Thus, we are likely to see a declining hegemon bounce between these opposing strategies or try to combine them in an attempt to hang on to core markets, which are its most important trading partners.

For instance, despite the fall of the Soviet Union, the U.S. maintains a huge nuclear arsenal, troops in Europe, and even an expanding NATO. These have all outlived their usefulness, which primarily was to keep Europe tied to American interests by deterring the Soviets. These artifacts of the Cold War are costly burdens for the U.S. but difficult to dispose of without risking additional loss of influence in Europe, as evidenced by the conflict over the war in Iraq. Contrary to Gowan, who sees America becoming an empire over Europe, I would argue that the fall of the Soviet Union has given Europe its greatest freedom from American military leverage since World War II. The war with Iraq, where the vast majority of Europeans opposed the war and only Britain provided major support, would seem to prove the point.

Has there been a restoration of U.S. hegemony in economic terms as there has been a restoration of U.S. military world leadership? We will look at data from two sources, Maddison's (2001) long-term economic measures and a recent international comparison produced by the US Dept. of Energy (n.d.). In Boswell and Chase-Dunn (2003), we present DOE data from 1999 on the percentage of the world economy held by each of the major powers of the world along with different world regions. It is clear that the U.S. is by far the world's largest national economy. But, it is also clear that the U.S. is not an overwhelming presence at 28% of the total. If we consider the European Union a viable unit, then it has 30% of the total. There are thus two world economic powers of about equal size. After the US and EU, there is Japan, which is less than half as large at 12%, and China at 4%. Over the last decade, East Asia has been the fastest growing area (excluding Japan) with the rest of major countries losing share with two big exceptions. Even though individual states lost share, the EU gained by an increase in membership. The other exception was the US, whose share rose about 1.5% during the late nineties. Arrighi and Silver (1999; see also Arrighi 1994) point out that this growth was led by the financial sector, which has declined dramatically in the last few years. Nevertheless, there was an upturn in the late nineties that Gowan and others might consider to be the beginning of a new ascent. Whether this is a major change or a slight aberration

tion in a long-term trend requires a long-term perspective, which is what world-system theory excels at.

We can derive a historical pattern using the Maddison data (2001). The Maddison and the DOE data sets differ because Maddison estimates the missing cases. Therefore, the U.S. and other countries' share of the total will be smaller because the total is larger (i.e., he has a larger denominator). For example, the DOE data set indicates a 28% share of world GDP for the U.S. in 1999, whereas Maddison's data set shows a 22% U.S. share in 1998. But otherwise, the relationships of the countries at this time are the same.

With most of the core in tatters, during World War II the U.S. share of the world economy skyrocketed to 35%, according to the Maddison data (see Chase-Dunn et al. 2003). Although the war-time peak was short-lived, the U.S. remained hegemonic for the next twenty-five years. The U.S. share of world GDP by this measure had fallen in a series of steps to around 22% by 1998. Wallerstein (1984) and most other world-system theorists argue that U.S. hegemony has been in decline since the 1970s. Decline is a relative thing. It is relative to one's own economic performance, and in the 1970s and 80s, U.S. productivity growth slowed down. More importantly, it is relative to other countries. With the rebuilding of Europe and Japan, decline was inevitable. However, decline was not smooth. There were several short periods in which the U.S. share went up, in the late forties, the late sixties, the late eighties, and then the late nineties. After every upturn, there comes a recession, which we can see from a long-term perspective.

Gowan also argues that the U.S. is fundamentally different from prior hegemonies in that it dominates the world economy to a far greater extent than its predecessors. Again, however, he offers no empirical evidence. According to the Maddison data set, Britain had a 5% share in 1820, 9% in 1870, and 8% in 1913 (Maddison 2001). In comparison to the U.S., these would be far less hegemonic positions. Chase-Dunn et al. (2003) seem to confirm his argument in regard to share of the world economy, although they compare GDP per capita and find the U.S. and Britain to be much more similar. Britain was far more productive than the rest of the core in the 19<sup>th</sup> century. However, this is looking at the past in terms of the present definition of the state. In the 19<sup>th</sup> century, hegemonic competition consisted of colonial empires, of which the largest was the British Empire. If we look at the share of the world economy of the whole British Empire, we get a very different picture. If we add just India, Australia, New Zealand, and Canada to Britain's share of world GDP, then the numbers are 21% in 1820, 21% again in 1870, and 16% in 1913. Note that these colonies are in the denominator for the world total that I and others use. Note also that Britain could call upon the resources of its colonies to fight wars. We do not have data

for the Napoleonic Wars, but I imagine there was a huge spike in Britain's share of the world economy during the blockade, perhaps similar to what the U.S. saw during World War II. Then, a share around 20% is similar to the U.S. experience, and this doesn't count all of Britain's colonies.

This is not to say that every hegemony is the same. On the contrary, we should expect differences. We should expect each hegemon to learn from previous ones and build upon the infrastructure that they have created. The British built upon the Dutch hegemony, and the Americans took over from the British and brought them in as junior allies. Therefore, we should expect each hegemony to be larger than the last one. It may get to the point where no one country can be hegemonic. Rather, it might require a multi-national state, such as the E.U., NAFTA, or the U.N.

Hegemony is more than the size of a country's economy. If data and time were available, we would also look at things such as where the major innovations are coming from, which countries have companies that are leading their industries, who is setting the standards for different industries around the world, and which states are writing the rules that others are following. Nevertheless, all of these factors tend to be tied up with the size and influence of a world power. So, size matters. The ability to organize a multinational state (such as the E.U.) is itself a major innovation for the next hegemon. However, this will require future research and data that is not yet available. What we can demonstrate at present is that the U.S. is in decline and, for the foreseeable future (the next 20–30 years), only the E.U. is a viable contender for hegemony. Although not yet as widely accepted, the Euro offers the first competitor to the dollar as a world currency. Not to mention, the U.S. and its European ally have pledged to prevent any other country from becoming a viable competitor.

What can we conclude about U.S. world leadership and hegemony? During the first twenty-five years of the post World War II period, the U.S. held both leadership and hegemony. For the next twenty-five years, both were in decline. Throughout this period, the U.S. faced a constant challenge to its world leadership from the Soviet Union in the bipolar Cold War. Now that the bipolar Cold War is over, U.S. world leadership is unchallenged. However, the world economy has become increasingly bipolar between the U.S. and the E.U.

Finally, Gowan argues that the U.S. is becoming an empire over Europe. I have drawn a distinction between leadership and hegemony. Let me draw a distinction between hegemony and empire. There are two types of empires: colonial empires and core-wide empires. Typically, in a colonial empire, a core state takes over territory in the periphery and maintains direct political control through a colonial administration or explicit indirect control of the local administration. Thus, we have the British Empire as the classic example, but most European

states were empires; even Belgium had a colony in Africa. American occupation and administration of Iraq will be a case of colonial imperialism. Maybe it would be a benign colony, but the relationship will be colonial nonetheless.

A core-wide empire is when a core state is able to directly administer other core territories or set up explicit client states. Nazi Germany was the last attempt at a core-wide empire, using a combination of direct incorporation and client states (such as Vichy France). This is the type of empire that Wallerstein (1974) described as incompatible with modern capitalism. Empire is very different from hegemony, as we have defined the latter above. Empire requires explicit control, while hegemony requires only dependency. Of course, there are various forms of neo-imperialism utilizing control that is not explicit, which blurs the distinction between empire and hegemony. But, we can start with analytically distinct categories. The problem is Gowan defines empire with the criteria that apply to hegemony. He draws from various sources to change the meaning of empire, eliminating the explicit political control. In its place, he provides a very good example of how hegemony works.

For instance, let us take some simple examples of how an empire-system could work. If the empire state can shape the geopolitical environment of other core states in such a way that their security is threatened in ways that require the military resources of the empire state, these other core states will want what the empire-state wants. Or if the other core states' financial sectors' stability is bound up with the safety of their loans to empire-state companies and individuals whose prosperity in turn hinges upon rising prices on the empire-state's securities markets, those other core states will want what the government of the empire-state wants: a priority for stability on the empire-state's financial markets. Or if other core states' capitals view their continuing expansion as dependent upon further opening of 'emerging markets' in the semi-periphery and if the most potent instrument for such opening is the empire-state's manipulation of the international monetary and financial regime, the other core states will want what the empire state wants.

This is exactly what is meant by hegemony. Consider the U.S. following World War II. The rest of the core was dependent on the U.S. for their security throughout the Cold War. Likewise, the dollar was the key to financial stability in the world economy. This was the period of peak U.S. hegemony, which has become unstable since the fall of the Soviet Union has ended the security threat and the rise of the Euro now provides an alternative to the dollar. What remains is an overpowered military that leaves the U.S. in a position of world leadership, but the hegemony has declined.

We can get lost in debates over terminology among ourselves and lose our audience. America is increasingly imperialistic and is expanding its empire in

the Middle East. We can and should condemn American imperialism. But, a colonial empire is not the same thing as a core-wide empire. The U.S. now has less control over Europe and Japan than during the Cold War. NATO is no longer our main military force, and Russia is an ally for Europe. The isolation from Europe that Russia suffered from siding with Serbia over Kosovo has been negated by siding with France and Germany over Iraq. Contrary to Gowan's claim of a budding core-wide empire, U.S. political control over Europe has declined to its lowest level in the post-War period. What does this mean for the future? The war in Iraq has split Europe along several lines. One scenario is that the E.U. is so deeply split by these events that it will be unable to regroup as a political unit in the face of repeated U.S. divisive actions. Perhaps this is what Gowan foresees as the way for the U.S. to restore hegemony. But another scenario is that the E.U. will follow the majority of its population and become more united, more anti-American, and more of a competitor on the world stage. I think this is the more likely possibility. But in any case, there is no evidence that the U.S. is an empire over Europe now.

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