## Heg Good

### 2AC – Impact – LIO

#### US hegemony is strong now but shrinking US engagement outweighs the costs of sustaining it – rising authoritarian powers, economic collapse, LIO collapse

Daalder and Kagan, 16 (4/25/16; Ivo H. Daalder is President of the Chicago Council on Global Affairs, has a PhD in Political Science from Massachusetts Institute of Technology; Robert Kagan is a Senior Fellow with the Project on International Order and Strategy in the Foreign Policy program at Brookings, has a PhD in American History from American University; “The U.S. can’t afford to end its global leadership role”; Brookings <https://www.brookings.edu/blog/order-from-chaos/2016/04/25/the-u-s-cant-afford-to-end-its-global-leadership-role/>) //LVL

The economic, political and security strategy that the United States has pursued for more than seven decades, under Democratic and Republican administrations alike, is today widely questioned by large segments of the American public and is under attack by leading political candidates in both parties. Many Americans no longer seem to value the liberal international order that the United States created after World War II and sustained throughout the Cold War and beyond. Or perhaps they take it for granted and have lost sight of the essential role the United States plays in supporting the international environment from which they benefit greatly. The unprecedented prosperity made possible by free and open markets and thriving international trade; the spread of democracy; and the avoidance of major conflict among great powers: All these remarkable accomplishments have depended on sustained U.S. engagement around the world. Yet politicians in both parties dangle before the public the vision of an America freed from the burdens of leadership. What these politicians don’t say, perhaps because they don’t understand it themselves, is that the price of ending our engagement would far outweigh its costs. The international order created by the United States today faces challenges greater than at any time since the height of the Cold War. Rising authoritarian powers in Asia and Europe threaten to undermine the security structures that have kept the peace since World War II. Russia invaded Ukraine and has seized some of its territory. In East Asia, an increasingly aggressive China seeks to control the sea lanes through which a large share of global commerce flows. In the Middle East, Iran pursues hegemony by supporting Hezbollah and Hamas and the bloody tyranny in Syria. The Islamic State controls more territory than any terrorist group in history, brutally imposing its extreme vision of Islam and striking at targets throughout the Middle East, North Africa and Europe. None of these threats will simply go away. Nor will the United States be spared if the international order collapses, as it did twice in the 20th century. In the 21st century, oceans provide no security. Nor do walls along borders. Nor would cutting off the United States from the international economy by trashing trade agreements and erecting barriers to commerce. Instead of following the irresponsible counsel of demagogues, we need to restore a bipartisan foreign policy consensus around renewing U.S. global leadership. Despite predictions of a “post-American world,” U.S. capacities remain considerable. The U.S. economy remains the most dynamic in the world. The widely touted “rise of the rest”—the idea that the United States was being overtaken by the economies of Brazil, Russia, India and China—has proved to be a myth. The dollar remains the world’s reserve currency, and people across the globe seek U.S. investment and entrepreneurial skills to help their flagging economies. U.S. institutions of higher learning remain the world’s best and attract students from every corner of the globe. The political values that the United States stands for remain potent forces for change. Even at a time of resurgent autocracy, popular demands for greater freedom can be heard in Russia, China, Iran and elsewhere, and those peoples look to the United States for support, both moral and material. And our strategic position remains strong. The United States has more than 50 allies and partners around the world. Russia and China between them have no more than a handful.

### 2AC – Impact – Solves War

#### Global economic interdependence stifles hegemonic war

Michael Mousseau, 19 (Professor in the School of Politics, Security, and International Affairs at the University of Central Florida, PhD from Binghamton University; “The End of War: How a Robust Marketplace and Liberal Hegemony Are Leading to perpetual World Peace”; International Security 2019; 44 (1): 160–196. doi: <https://doi.org/10.1162/isec_a_00352>) //LVL

Hegemonic realist theories largely predict never-ending cycles of global war and peace, caused principally by varying rates of economic growth among leading powers that trigger relative gains concerns and yield opportunities for rising powers to assert control and change the rules of the global order. This section identifies four core reasons why hegemonic war, defined as a clash over global leadership, is not only unlikely in the future, but probably never happened in the past. First, if internal factors determine national interests, as I argue, then hegemony cannot exist among status major powers. Preferring disorder wherever they lack control, status powers simply are unconcerned with global rules, and thus have no interest in fighting over them. Motivated foremost to make others their subordinates and avoid being the subordinate of others, status major powers have nothing to gain and everything to lose in acquiescing to stronger states, and therefore usually balance against them. Second, status states cannot reach the level of economic productivity per capita of contractualist states, and thus it is unlikely that any status power could overtake the combined might of the contractualist hegemony. Fortune may occasionally bestow wealth on a status or axial economy, as it did on the antebellum South, which sold cotton and tobacco in global markets, and as it does on oil-rich states today. But wealth is not economic productivity, so such states are ultimately dependent on the contractualist hegemony and can never seriously challenge it. This explains why the South lost the Civil War. The third reason why hegemonic war resulting from changes in relative economic power is unlikely follows from the second reason: in all likelihood, only another contractualist state can surpass the market leader in economic size; and as discussed, no rising contractualist power would ever challenge a declining one. Contractualist states are uninterested in relative power (unless a state is behaving in a threatening manner), and among them, there are no substantial changes in global rules to fight about. Fourth, even if one were to suppose that a rising contractualist power wanted to be dominant among all contractual states, such a power shift cannot happen, because these states’ economies cannot substantially rise and fall relative to one another. As a result of their shared economic type and preferences for normal trade, their economies have largely converged.

#### American hegemony can coordinate capabilities and protect security in the cyber domain

Joshua Rovner and Tyler Moore, 17 (8/14/17; Rovner is a Professor of International Politics and National Security at Southern Methodist University; Moore is a Professor of Cyber Security and Information Assurance in the School of Cyber Studies and the Tandy School of Computer Science at the University of Tulsa, PhD in Cyber Studies; “Does the Internet Need a Hegemon?”; Journal of Global Security Studies, Volume 2, Issue 3, July 2017, Pages 184–203, <https://doi.org/10.1093/jogss/ogx008>) //LVL

The clash of national and global interests in cyberspace is particularly acute because there is no global government to resolve disputes. Sustaining cooperation under anarchy is an enduring puzzle for international relations theorists and animates some of the most enduring debates in political science. Realist scholars view the international system as prone to conflict because there is no higher authority that can enforce agreements among states (Waltz 1979). Liberal theorists, however, posit that international institutions can foster cooperation in part by reducing transaction costs (Keohane 1984). Extensions of this debate, including arguments about the value of institutions, are discussed below. But perhaps the most controversial argument focuses on the role of a hegemon, or a clearly dominant state, in the international system. Hegemonic stability theory (HST) posits that peace and prosperity are more likely when there is a clear hierarchy of states and one undisputed leader. A state with dominant capabilities can sustain cooperation by providing public goods and reducing collective action problems. Incentives to cheat on agreements or free ride are reduced when the hegemon picks up the tab. Hegemons also help coordinate action and deter challengers from threatening the global order.

### 2AC – No Thucydides Trap

#### No Thucydides Trap – Economic competition fosters peace

Michael Mousseau, 19 (Professor in the School of Politics, Security, and International Affairs at the University of Central Florida, PhD from Binghamton University; “The End of War: How a Robust Marketplace and Liberal Hegemony Are Leading to perpetual World Peace”; International Security 2019; 44 (1): 160–196. doi: <https://doi.org/10.1162/isec_a_00352>) //LVL

This article argues that there is no Thucydides Trap in international politics. Rather, the world is moving rapidly toward permanent peace, possibly in our lifetime. Drawing on economic norms theory, I show that what sometimes appears to be a Thucydides Trap may instead be a function of factors strictly internal to states and that these factors vary among them. In brief, leaders of states with advanced market-oriented economies have foremost interests in the principle of self-determination for all states, large and small, as the foundation for a robust global marketplace. War among these states, even making preparations for war, is not possible, because they are in a natural alliance to preserve and protect the global order. In contrast, leaders of states with weak internal markets have little interest in the global marketplace; they pursue wealth not through commerce, but through wars of expansion and demands for tribute. For these states, power equals threat, and therefore they tend to balance against the power of all states. Fearing stronger states, however, minor powers with weak internal markets tend to constrain their expansionist inclinations and, for security reasons, bandwagon with the relatively benign market-oriented powers. I argue that this liberal global hierarchy is unwittingly but systematically buttressing states’ embrace of market norms and values that, if left uninterrupted, is likely to culminate in permanent world peace, perhaps even something close to harmony. My argument challenges the realist assertion that great powers are engaged in a timeless competition over global leadership, because hegemony cannot exist among great powers with weak markets; these inherently expansionist states live in constant fear and therefore normally balance against the strongest state and its allies. Hegemony can exist only among market-oriented powers, because only they care about global order. Yet, there can be no competition for leadership among market powers, because they always agree with the goal of their strongest member (currently the United States) to preserve and protect the global order based on the principle of self-determination. If another commercial power, such as a rising China, were to overtake the United States, the world would take little notice, because the new leading power would largely agree with the global rules promoted and enforced by its predecessor. Vladimir Putin’s Russia, on the other hand, seeks to create chaos around the world. Most other powers, having market-oriented economies, continue to abide by the hegemony of the United States despite its relative economic decline since the end of World War II.

#### Mearsheimer agrees

Michael Mousseau, 19 (Professor in the School of Politics, Security, and International Affairs at the University of Central Florida, PhD from Binghamton University; “The End of War: How a Robust Marketplace and Liberal Hegemony Are Leading to perpetual World Peace”; International Security 2019; 44 (1): 160–196. doi: <https://doi.org/10.1162/isec_a_00352>) //LVL

Because economic power is central to military power, realist theory rejects the idea that states can be unconcerned with relative gains. Many influential scholars of power politics recognize, however, that factors other than relative power can inform states about whether another state is a threat. Arguably, the behavior of a state says more about whether it is a threat than do its economic and military capabilities. Even John Mearsheimer, considered to be the first theorist to postulate “offensive” realism, has asserted that “the prospects for cooperation among market democracies are ‘excellent.’

### 1AR – Sustainability – AT: Debt

#### Financial reasons for unsustainability are wrong.

Carla Norrlof 16, Ph.D. in IR, Discipline Representative of Political Science at the University of Toronto; and William Wohlforth, Ph.D. in Political Science, Daniel Webster Professor of Government in the Dartmouth College Department of Government, 2016, “Is US grand strategy self-defeating? Deep engagement, military spending and sovereign debt;” *Conflict Management and Peace Science*, Vol. 36, No. 3, <https://doi.org/10.1177/0738894216674953>

Retrenchment proponents see American military spending as contributing to the growth of public debt3 and the country’s relative economic decline, and they argue that as it approaches its credit limit, the US should cut military spending and act preemptively to forestall steeper decline and even bankruptcy. Some retrenchment supporters also fear that negative feedback between military overstretch and economic decline will eventually put America’s coercive hegemony at risk because economic might is the wellspring of military might (Calleo, 1982; Chace, 1981; Kennedy, 1987a, 1987b; MacDonald and Parent, 2011). In short, retrenchment proponents agree that reducing military spending is an economic necessity, although they disagree about the extent to which the US should reduce its spending and overseas presence as well as the desirability of sustaining military primacy.

This argument is noteworthy not only because of its centrality to the retrenchment argument, but also because academic defenders of deep engagement have as yet no direct response. Scholars and policymakers who oppose retrenchment maintain that American military dominance has produced significant economic benefits and warn that reductions in military spending will reduce these benefits (Brooks, et al., 2013; Brooks and Wohlforth, 2016; Gottlieb, 2012; Kagan, 2012; Sestanovich, 2014). Three main arguments point to such benefits. First, according to a research program closely connected with the work of Robert Gilpin and Stephen Krasner, military power underwrites an open economic order. In a series of books, Gilpin and Krasner explain the logic and evidence for hegemonic orders that rest in part on an outsized global military role (Gilpin, 1975; Gilpin, 1981, 1987, 2001; Krasner, 1978). A dominant military power that equates its own interest with expanding economic globalization benefits from providing a stable political context that makes economic exchange more secure and predictable (Brooks, et al., 2013; Brooks and Wohlforth, 2016; Norrlof, 2008, 2010).

Second, military primacy generates other direct benefits, such as official support for the hegemon’s currency; sustained capital inflows during times of distress; protection of residents’ foreign investments; and economic contributions to the hegemon’s military activities, including economic transfers through basing fees (Beckley, 2011; Helleiner, 2008; James, 2009; McNamara, 2008, Norrlof, 2008, 2010; Posen, 2008).

Third, the preeminent military power leverages security to extract economic favors from allies in exchange for protection. As a background condition, security allows the hegemonic power to win concessions in economic and trade negotiations (Ikenberry, 2011; Mastanduno, 2009; Norrlof, 2010). Economic agreements flow from the barrel of a gun.

### 1AR – Sustainability – AT: Polarization/Domestic Divisions

#### Internal problems don’t preclude US leadership, and retrenching wouldn’t solve them.

Hal Brands 21, Bloomberg Opinion columnist, the Henry Kissinger Distinguished Professor at Johns Hopkins University’s School of Advanced International Studies, and a scholar at the American Enterprise Institute, 1/9/2021, "Turning Its Back on the World Won’t Help America Heal", *Bloomberg*, https://www.bloomberg.com/opinion/articles/2021-01-09/trump-fueled-u-s-dysfunction-won-t-be-cured-by-isolationist-foreign-policy

The severity of the U.S. predicament has led some analysts to the conclusion that Washington must dial back its global ambitions until it conquers its internal demons. As Emma Ashford put it in Foreign Policy, “Ambitious foreign-policy goals are completely out of step with the realities of the country’s domestic political and economic dysfunction.”

That’s misguided. No true U.S. ally is advocating that Washington turn its back on the world (although many presumably worry about it), and for good reason. It’s not as though the need for American engagement has become any less pressing: As we have seen during Covid-19, the likely alternatives to constructive U.S. leadership are a breakdown of international cooperation on pandemics and other issues and a vacuum that less principled, less democratic actors such as China will fill.

Richard Nixon, another corrupt president who governed at another time of alarming domestic and geopolitical turmoil, warned that “if America were to become a dropout in assuming the responsibility for defining peace and freedom in the world … the rest of the world would live in terror.” Nixon’s own transgressions notwithstanding, a post-American world seems unlikely to be any more stable or benign today.

The premise of retrenchment is flawed in other ways, too. Unless foreign policy is a principal cause of America’s divisions and injustices, as it was during Vietnam, then it’s not immediately evident that a less ambitious foreign policy would help address those problems. Withdrawing from Europe’s strategic affairs after World War I didn’t allow the U.S. to avoid a wave of nativism and racism in the 1920s or the profound polarization of the Great Depression.

One can plausibly argue that the relationship runs in the other direction. During the Cold War, America’s commitment to combating Soviet influence globally helped motivate it to address its worst domestic sin, state-sponsored segregation.

Finally, domestic perfection has never been a prerequisite for purposeful international action. The U.S. protected the world from aggressive autocracy in two global wars despite being a deeply flawed society that fell far short of its founding ideals. It contained the Soviet Union, thereby supporting an unprecedented flourishing of democracy worldwide, while struggling with issues from racial injustice to economic turmoil to bitter political disputes. Had Americans instead insisted on resolving domestic problems before acting internationally, the result would have been a disaster for liberalism everywhere — including, ultimately, in America itself.

The U.S. should emerge from the Trump era with greater humility about its own shortcomings and the dangers they pose to its diplomacy as well as its democracy. Yet it cannot fall into despair about its ability to shape a healthy world. The domestic reckoning America requires should be seen as a complement to the American leadership the world still needs — not as a substitute.

## Heg Bad

### 1NC – Impact – Generic

#### Authoritarianism rises as a result of US hegemonic policies

Stephen M. Walt, 20 (4/21/20; Professor of international relations at Harvard University, PhD in Political Science; “There’s No Such Thing as Good Liberal Hegemony”; Foreign Policy <https://foreignpolicy.com/2020/04/21/theres-no-such-thing-as-good-liberal-hegemony/>) //LVL

That the first attempt was a costly failure should be beyond dispute. Instead of advancing, democracy has been in retreat around the world for more than a decade—including in the United States itself—and U.S.-led efforts at regime change have led not to thriving democracies but to failed states and costly occupations. Hyperglobalization under U.S. auspices produced a grave financial crisis in 2008, politically painful job displacement in a number of sectors, and helped trigger a wide-ranging populist backlash. NATO enlargement helped poison relations with Russia, and policies such as dual containment in the Persian Gulf inspired anti-U.S. terrorism, including the 9/11 attacks and all the negative consequences that flowed from that event. The end result of these developments has been a partial retreat from globalization, the emergence of would-be autocrats in Hungary, Poland, and even in the United States, and revitalized authoritarianism in many other places. Given where we are today, does it matter whether a more sophisticated version of liberal hegemony might have succeeded? In fact, this issue is of paramount importance, because plenty of people are still convinced that trying to create a U.S.-led, liberal world order was the right goal and that the United States just needs to learn from past mistakes and do it better and smarter in the future. Defenders include unrepentant hawks such as Eric Edelman and Ray Takeyh, who think what the Middle East needs is even more U.S.-led regime change, but also liberal academics such as G. John Ikenberry and Daniel Deudney, who believe the liberal order remains surprisingly resilient. Other proponents of this view are dedicated policy wonks such as Jake Sullivan, who thinks the problem is not the United States’ basic strategy but rather the fact that Americans are increasingly skeptical of it, and one sees similar impulses in the writings of Hal Brands, Peter Feaver, and other defenders of an expansive U.S. role. If former U.S. Vice President Joe Biden wins the presidential election in November—and, to be clear, I hope he does—the apostles of U.S. primacy and its “indispensable” global role will be back in the saddle, and we are likely to see at least a partial attempt to turn the clock back to the halcyon days when the United States was actively trying to create a global liberal order.

#### US imposed liberal order guarantees political instability – resentment and backlash leads to armed conflict

Stephen M. Walt, 20 (4/21/20; Professor of international relations at Harvard University, PhD in Political Science; “There’s No Such Thing as Good Liberal Hegemony”; Foreign Policy <https://foreignpolicy.com/2020/04/21/theres-no-such-thing-as-good-liberal-hegemony/>) //LVL

Does this argument mean that liberal hegemony was the right course after all, and that a more sophisticated version should be adopted should the United States ever find itself in a position of primacy again? I don’t think so. The flaw in the counterfactual described above should be obvious. It assumes that if policymakers in previous years had perfect knowledge of the results of their actions, then they could infallibly pick the right course of action at each critical point. Armed with perfect foresight, for example, former U.S. President George W. Bush would not have chosen to invade Iraq in 2003, or perhaps he would have devoted a lot more time and effort into preparing for the post-Saddam occupation. Yet even perfect knowledge about what went wrong would not guarantee success the second time around. First, even when we know what mistakes to avoid, there may not be any course of action that would yield a successful outcome. The United States is very powerful, wealthy, and secure, but some tasks may simply be beyond its means and outside the limits of its understanding. Trying to use military force to transform deeply divided societies into liberal democracies seems to be one of them. Second, if the United States had taken a significantly different course of action at various critical points in the recent past, then history would have headed in a different direction and U.S. leaders would have faced a wholly different set of choices whose results could not be known in advance. In other words, the lessons drawn from events as they actually occurred may not help the United States decide what to do once history is following a different path. Most importantly, even liberal hegemony lite entails a lot of complicated social engineering. By definition, a liberal world order is one where certain key political principles—democracy; sovereignty; low barriers to trade, investment, and travel; rule of law within multilateral institutions; and individual rights) are nearly universal. But we live in a world where these values are not universally embraced. Democracies have never been a majority, and millions of people think security, sovereignty, cultural values, national autonomy, and other political goals are more important—which means that trying to get others to embrace democracy requires considerable pressure and increases the risk of political instability. Such efforts inevitably trigger local resentments of various kinds, especially in a world where nationalism and other forms of local identity make people resentful and suspicious of even well-intentioned foreign interference. Furthermore, the more far-reaching the changes occurring among any group of people, the more unpredictable the results will be and the more unintended consequences are bound to arise. Even progressive political change creates winners and losers, and the latter won’t necessarily accept their fates with forbearance. Instead, they may take up arms to try to regain their former positions, thereby creating the sort of resistance that helped defeat U.S. efforts to promote a liberal order in the past. Even if future policymakers avoided all of the errors made between 1992 and 2016 (to say nothing of the blunders U.S. President Donald Trump has made since then), we may be confident they will mishandle some of the unforeseen developments that are bound to arise on their watch.

### 2NC – Kagan Wrong

#### Kagan misunderstands the international system

Christopher Preble, 12 (Co-director of the New American Engagement Initiative in the Scowcroft Center for Strategy and Security, PhD in history from Temple University; “The Critique of Pure Kagan”; The National Interest No. 120 (July/August 2012), pp. 70-79 (10 pages); <https://www.jstor.org/stable/42896468>) //LVL

Kagan's fundamental flawed misconception analysis begins about with a fundamental misconception about the international system and the relations of states within it. His worldview perceives two types of countries: those that are con- genitally incapable of dealing with urgent security challenges on their borders or in their respective regions; and a crafty, rapacious few who are forever scheming to intimidate, disrupt or simply devour the hapless and the helpless. Within this dichotomy, however, is a third sort of country, the only one of its kind. The United States enjoys a privileged place in the world order, explains Kagan. Its power is unthreatening because it is relatively distant from others. And, according to Kagan, the costs of this power are easily borne by the wealthiest country in the world. Kagans world order "is as fragile as it is unique," and "preserving [it] requires constant American leadership and constant American commitment." The message today is consistent with that from sixteen years ago when he and William Kristol first made the case for what they called "benevolent global hegemony." In other respects, however, the story that emerges from The World America Made is subtly different. Anticipating a rising tide of pessimism and gloominess within the American electorate, Kagan at times resorts to the tone of a pep talk. Whereas he once highlighted the "present dangers" confronting the United States (in a volume coedited with Kristol, published in 2000), he now says the world today isn't as dangerous as it once was - during the Cold War, for example, or at other periods in American history. Looking ahead, he says, China has its own set of problems, is unlikely to make a bid for regional hegemony and is unlikely to succeed if it tries. Likewise, we shouldn't be overly frightened by Chinas growing economic power, Kagan explains, which will lag well behind that of the United States for years. Other global challenges are more modest still. The object of these relatively optimistic assessments is to convince Americans that they can manage to hold on to their position of global dominance for many years without bankrupting themselves financially or exhausting themselves emotionally. This line of argument cuts against Kagans other claims, however, both in this volume and elsewhere, that the United States should spend even more on its military and that Washington should use this military more often, and in more places, than it has in the recent past.

### 1NC – Thucydides Trap

#### Thucydides Trap makes China war inevitable

Graham Allison, 20 (American political scientist and Professor of Government at Harvard University, PhD in Political Science from Harvard; “The U.S.-China Strategic Competition: Clues from History”; Aspen Strategy Group <https://www.aspeninstitute.org/wp-content/uploads/2020/01/Allison-Final.pdf>) //LVL

Thucydides’s Trap is a term I coined a decade ago to make vivid Thucydides’s insight. Thucydides’s Trap is the dangerous dynamic that occurs when a rising power (like Athens, Germany a century ago, or China today) threatens to displace a ruling power (like Sparta, Great Britain, or the U.S. today). In these conditions, both parties become especially vulnerable to third-party provocations or even accidents. Remember 1914, when the assassination of an archduke sparked a fire that ended up burning down the houses of all the great states of Europe. In the dangerous Thucydidean dynamic, misperceptions are magnified, miscalculations multiplied, and risks of escalation amplified. Extraneous events that would otherwise be manageable compel one or the other to react, triggering a vicious cycle of reactions that can drag them into a war that neither wanted. As Thucydides explains, this dangerous dynamic is driven by three factors: material reality, psychology, and politics. At the material level, China really is rising and encroaching on positions and prerogatives Americans have come to believe are naturally ours. Many Americans see this as an assault on who we are—since for us, USA means number one. Others are still “China deniers”—refusing to acknowledge that China could be number one in any race that matters. Psychology combines perceptions and misperceptions with emotions and identity—often producing what Thucydides called “fear” in the ruling power and “arrogance” in the rising power. (And as the Greeks taught us, beyond fear lies paranoia; beyond arrogance, hubris.) As my colleague Joe Nye has pointed out, as rivals come to see the other as an enemy, this can become a cycle of self-fulfilling prophecies in which whatever either does is seen by the other as a hostile attempt to displace it or hold it down.

### 2NC – Unsustainability

#### Heg is unsustainable –

#### 1. DEBT.

Herman Schwarz 21, professor at the Inland Norway University of Applied Sciences, “Decay of US Economic Hegemony? Intellectual Property Rights, Dollar Centrality, and US Geo-Economic Power,” *Hegemonic Transition*, Chapter 6, <https://doi.org/10.1007/978-3-030-74505-9_6>, RMax

Conclusion

Accurately assessing the durability of US geo-economic power requires accurately assessing the mechanisms that produce and maintain that power. Susan Strange (1989) identified four main structural sources of power but without much specificity as to their mechanisms. Here I have tried to show the centrality of IPRs for mechanisms sustaining dollar centrality and control over global commodity chains. Dollar centrality in the international monetary system allows the United States as an economy and, more specifically, US firms to escape constraints that balance of payments deficits impose on weaker countries (Cohen, 1998). In a world with free markets and minimal financial repression, US current account deficits would disappear through currency depreciation and capital flight.

In our world, however, successful late developers have institutionally rooted domestic demand deficiency generating persistent current account surpluses. Their addiction to external demand means they accumulate excess export revenues that in turn require the creation or existence of counterpart assets. Only the United States can provide those assets in sufficient quantity and quality (Schwartz, 2009). US firms accounted for over half of global equity market capitalization in 2020, with one-third of this attributable to the top 30 IPR-based firms by market capitalization. Other assets, like Federal debt, mortgage-backed securities, and real estate, are all ultimately funded by the economic activity that large US firms generate. IPRs and the profits they generate are thus central to US global power, barring fundamental changes wrought by COVID-19, other external shocks, or US domestic political chaos stemming from the Trump administration.

Of these, the first and the last are likely to combine to diminish US hegemonic power. The initially incompetent US response to COVID19 surely will shake faith in dollar-denominated assets, particularly if US growth falters relative to European or Chinese growth. More narrowly, government responses to COVID-19 will cause or force many supply chains back on-shore, particularly for health-related commodities. In this context, it is easy to see the erosion of pharmaceutical and other IPRs as states override patents to maximize production of critical drugs and equipment. This might culminate in a 1930s-style retreat into continental monetary and trade blocs, necessitating a painful adjustment of surplus economies’ domestic political arrangements. Avoiding this requires global reflation and recovery based on continued US current account deficits, and thus the export of “assets” backed by IPRs, which might sustain US hegemony. But this would in turn require expanding the US welfare state to compensate the losers from perpetual current account deficits, and this seems increasingly unlikely given the current balance of political power in the US political system.

#### 2. INTERNAL DIVISIONS.

Francis Fukuyama 21, senior fellow at Stanford University, author of the most limited interpretation on this topic, 11/8/2021, "Francis Fukuyama on the end of American hegemony," Economist, <https://www.economist.com/the-world-ahead/2021/11/08/francis-fukuyama-on-the-end-of-american-hegemony>, RMax

The horrifying images of desperate Afghans trying to get out of Kabul after the Western-backed government collapsed in August seemed to signify a major juncture in world history, as America turned away from the world. Yet in truth, the end of the American era had come much earlier. The long-term sources of American weakness and decline are more domestic than international. The country will remain a great power for many years, but just how influential it will be depends on its ability to fix its internal problems, rather than its foreign policy.

The peak period of American hegemony lasted less than 20 years, from the fall of the Berlin Wall in 1989 to the financial crisis of 2007-09. The country was dominant in many domains of power—military, economic, political and cultural. The height of American hubris was the invasion of Iraq in 2003, when it hoped to remake not just Iraq and Afghanistan (invaded two years before), but the whole Middle East. America overestimated the effectiveness of military power to bring about deep political change, even as it underestimated the impact of its free-market economic model on global finance. The decade ended with its troops bogged down in two counterinsurgency wars, and a financial crisis that accentuated the inequalities American-led globalisation had brought about.

Termites in the floorboards

The degree of unipolarity in this period has been rare in history, and the world has been reverting to a more normal state of multipolarity ever since, with China, Russia, India, Europe and other centres gaining power relative to America. Afghanistan’s ultimate effect on geopolitics is likely to be small: America survived an earlier, humiliating defeat when it withdrew from Vietnam in 1975, but regained its dominance within little more than a decade. The much bigger challenge to America’s global standing is domestic.

American society is deeply polarised, and has found it difficult to find consensus on virtually anything. This polarisation started over conventional policy issues like taxes and abortion, but has since metastasised into a bitter fight over cultural identity. Normally a big external threat such as a global pandemic should be the occasion for citizens to rally around a common response. But the covid-19 crisis served rather to deepen America’s divisions, with social distancing, mask-wearing and vaccinations being seen not as public-health measures but as political markers.These conflicts have spread to all aspects of life, from sport to the brands of consumer products that red and blue Americans buy.

Polarisation has affected foreign policy directly. During Barack Obama’s presidency, Republicans took a hawkish stance and scolded Democrats for the Russian “reset” and alleged naivety regarding Vladimir Putin. Donald Trump turned the tables by embracing Mr. Putin, and today roughly half of Republicans believe that the Democrats constitute a bigger threat to the American way of life than Russia does.

There is more apparent consensus regarding China: both Republicans and Democrats agree it is a threat to democratic values. But this only carries America so far. A far greater test for American foreign policy than Afghanistan will be Taiwan, if it comes under direct Chinese attack. Will the United States be willing to sacrifice its sons and daughters on behalf of that island’s independence? Or indeed, would it risk military conflict with Russia should the latter invade Ukraine? These are serious questions with no easy answers, but a reasoned debate about American national interest will probably be conducted primarily through the lens of how it affects the partisan struggle.

The biggest policy debacle of President Joe Biden’s administration in its first year has been its failure to plan adequately for the rapid collapse of Afghanistan. Mr Biden has suggested that withdrawal was necessary in order to focus on meeting the bigger challenges from Russia and China. I hope he is serious about this. Mr Obama was never successful in making a “pivot” to Asia because America remained focused on counterinsurgency in the Middle East. In 2022, the administration needs to redeploy both resources and the attention of policymakers to deter geopolitical rivals and engage with allies.

The United States is not likely to regain its earlier hegemonic status, nor should it aspire to. What it can hope for is to sustain, with like-minded countries, a world order friendly to democratic values. Whether it can do this will depend on recovering a sense of national identity and purpose at home.