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The US hegemony, East Asia and global governance

Min-Hua Chiang*

*Correspondence:
eaicmh@nus.edu.sg
East Asian Institute, National
University of Singapore,
469 A, Bukit Timah Road,
Tower Block #06-01,
Singapore 259770, Republic
of Singapore

Abstract

This article studies the US hegemony with particular focus on its dominant role in East Asia and compares conventional thoughts with different views provided by the two books reviewed. Reich and Lebow considered that American hegemony has started to erode when other nations regained their economic strength and political stability during the postwar decades. Acharya's main argument is focusing on the decline of the American world order, rather than the decline of the US. Authors from the two books jumped out from the conventional zero-sum game between the rising China and the declining US power and consider other regional players in constructing the world order. However, this article argued that if China was not able to challenge the US power presence, there is no reason to assume the US power decline. The establishment of the institutionalized network with involvement of several countries would only to strengthen the US dominance, rather than to weaken it.

Keywords: US hegemony, US–China relations, International political economy, American-led world order, Theory of hegemonic stability, Internationally dominant economy, East Asia's post war economic development

Background

This essay aims at providing a comparative review on the US hegemony between the mainstream perspectives and different views provided by the two newly published books. The first book (*Good-bye Hegemony: Power and Influence in the Global System*) written by Reich and Lebow rejected the widespread view about the lasting American hegemonic power in the world during the post-war decades. By reformulating the concepts of power and influence and an elaborating their complex relationship, Reich and Lebow elucidate distinct roles played by European Union in agenda setting (advocating policies and principles of order), China in custodianship (stabilizing the world economy) while the US maintains its sponsorship (initiating rules and institutions) in global governance.

The second book (*The end of American world order*) written by Acharya focus more on what comes after the US hegemony. Different from the conventional perspectives that often centered on the debates of possible decline of the US hegemony, Acharya concerns more about the decline of the American world order (AWO). He does not assume the US is in terminal decline but the waning of AWO is more likely. A more regionalized

and pluralist world order will arise though Acharya does not deny that the US will continue to play a central role in global affairs in the foreseeable future.

Overall, both books consider the US hegemony is not and will not be the only dominant power in the world. A multipolar world is in formation and US will have to cooperate, rather than belittle other emerging powers.

The two books come at the time when the political economy in East Asia and in the world is changing. In November 2014, Asia-Pacific economies' agreement to work towards a Chinese-backed Free Trade Area of the Asia-Pacific (FTAAP) during the Asia-Pacific Economic Cooperation (APEC) summit is widely considered as giving Beijing a bigger role in managing regional economic integration. Up to April 2015, 57 countries, including several US traditional allies, were approved as founding members of China-led Asia Infrastructure Investment Bank (AIIB). The establishment of AIIB is often regarded as a potential competitor to the US-led International Monetary Fund (IMF) and World Bank. Several countries' rush to be part of AIIB shows that the US-led AWO has already lost its attractiveness. The AIIB could probably take that US influence away and affect geo-political governance by giving financial loans to countries in need. In response, American officials have welcomed the Chinese plan and expressed that FTAAP does not conflict with Washington's preferred Trans-Pacific Partnership (TPP) which excludes China.¹ As for AIIB, President Obama also stated that the US never opposed AIIB and wants to cooperate with it.²

Although the reconstitution of the world order in the future is still uncertain, the world seems shifting towards what Reich and Lebow described about China's greater contribution in keeping the global economic stability and US role mostly in provision of the security to ensure the global peace and development. China has claimed that AIIB will be an institution led by developing countries. Hence, the success of AIIB will confirm Acharya's idea about a multiplex world in the future. However, the new development does not preclude the future uncertainties and the questions still remain. Can this multiplex world order successfully replace the US-dominated global order? Can this new world order be sustainable? In fact, even with the emergence of other countries in managing global affairs, it is still difficult for an existing power to give its influence away to other countries. The US has been accelerating the TPP negotiations to counterbalance China's growing influence in spite of TPP's insignificant economic benefits to America (Chiang 2014). At the annual APEC summit in 2014, President Obama told a group of business leaders that: "There should be no doubt that the United States of America remains entirely committed when it comes to Asia.....The United States is not just here in Asia to check a box. We believe our shared future is here in Asia."³

¹ "Obama seeks new level in US relationship with China", *Voice of America*, 11 November 2014, <<http://www.voanews.com/content/us-china-breakthrough-on-wto-free-trade-deal/2515601.html>> (accessed 13 November 2014); "At APEC summit, Obama seeks to allay fears about U.S. staying power, pushes trade pact", *The Washington Post*, 13 November 2014, <http://www.washingtonpost.com/world/in-beijing-obama-renews-push-for-trade-pact-he-says-could-be-historic-agreement/2014/11/10/8939a2e2-68a0-11e4-a31c-77759f1eacc_story.html> (accessed 13 November 2014).

² "Obama: We're all for the Asian Infrastructure Investment Bank", *The Wall Street Journal*, 28 April 2015, <http://blogs.wsj.com/economics/2015/04/28/obama-were-all-for-the-asian-infrastructure-investment-bank/> (accessed 8 October 2015).

³ "At APEC summit, Obama seeks to allay fears about US staying power, pushes trade pact", *The Washington Post*, 20 November 2014, <http://www.washingtonpost.com/world/in-beijing-obama-renews-push-for-trade-pact-he-says-could-be-historic-agreement/2014/11/10/8939a2e2-68a0-11e4-a31c-77759f1eacc_story.html> (accessed 14 November 2014).

This article argues that although the US has gradually lost its multiple functions in the global governance, this does not mean a decline of US hegemony. The main reason is that there are no better choices, particularly for East Asian countries. Unless China could act as a consumption engine and a security provider, the center-periphery connections between the US and Asia can hardly be broken off. Developing countries in Asia may have interest to form an institutionalized network so that their voice can be heard widely and the risk of over dependence on the US economy can be diversified. However, as China's economy is also highly linked with the US, any China-backed initiatives or institutions will not change the nature of global political economy dominated by America. As long as China is not able to challenge the US economically and militarily, the development of institutionalized network will not be a threat to the US dominance. On the contrary, it could be a supportive mechanism to the US in maintaining global rules and order.

The term "American hegemony", "internationally dominant economy (IDE)" and "American world order" are used interchangeably based on various literatures' interpretations regarding the dominant power's relations with the global political economy. The rest of the article is organized as follows. The first section provides theoretical background about the US hegemony. The second reviews the evolution of US hegemony in East Asia. The third summarizes the debates regarding the sustainability of US hegemony after China's rise. In the fourth section, the main contributions made by the two books are highlighted. This article argues that although the US power presence may not seem as strong as it was before, it will continue to stay for a period of time. Finally, this article concludes with a final assessment of the two books and their contribution to further understanding the US hegemony in both theoretical debates and empirical studies.

Theoretical interpretations of US hegemony in the global political economy

The importance of a hegemonic power in stabilizing the global economy was initially indicated by Kindleberger in the 1970s. He argued that the world economic recession in 1929 was mainly because of the lack of "last resort". At the time when the global economy was in a deep slump, the UK power was on the decline and no longer capable of reviving the global economy. Meanwhile, the US was hesitant about taking up the leadership position (Kindleberger 1975).

The end of World War II (WWII) marked the start of a new global order. The UK economic power in the world since the nineteenth century was evidently replaced by the US in the twentieth century. Instead of simply being the dominant economic power with its highly developed capitalist economy, the US has even been able to exercise its political ascendancy over all capitalist nations. Nonetheless, the arrival of US as a global power did not make the world economy to be developed more stably. According to Perroux, because of IDE's "superiority" in economic performance and industrial production, its influence on a dominated country is quite significant and irreversible. The principal methods that an IDE exerts on a dominated nation are the modification in the investment or trade volume, leading to an improvement or deterioration of dominated nation's commercial balance. The development will thus inevitably become a confrontation between the two countries because the improvement in the trade balance of a country is considered as a deterioration of the trade balance of the other one. In terms of global

governance, Perroux indicated the unsuccessful Bretton-Woods system was due to the incompatibility between its semi-liberalism and America's strong dominant characters in the world. The Bretton-Woods system that sought to avoid repeating the financial crisis in the 1930s actually resulted in more gaps between the countries (Perroux 1987).

The hegemonic state's character was further visualized by Keohane's theory of hegemonic stability. According to Keohane, hegemonic powers must have control over raw materials, sources of capital, control over market and competitive advantages in the production of highly valued goods (Keohane 1984). Unlike the Marxist's focus on the class interest and production relations in a hegemonic system and the liberalist's emphasis on the institutional power of the hegemony, the realist theories highlight the indispensable role of the hegemony in maintaining the world order. During the Cold War era, the US constructed an economic interdependence framework with its major allies in both Europe and Asia within which the global economy functioned. The security interest and alliance cohesion further provided political glue that held the world economy together and facilitated compromise of important national differences over economic issues (Gilpin 2001).

However, history proves that the global power is not forever the same one. Wallerstein's Modern World System (MWS) theory pointed out that before the arrival of the nation-state political system in early modern Europe, the international system had been characterized by successive world empires. The world-empire was a centralized political unit that guaranteed economic flow from the periphery to the centre by force and by monopolistic advantages in trade (Wallerstein 1974). Similar to MWS, Modelski's long cycle theory also showed the entrances and exits of different world powers since about 1500. The global leaders were often chosen by the wars though it may not always be the necessary condition for selecting the future leader (Modelski 1987). According to Gerbier, the unavoidable decline of the IDE is attributed to both internal and external reasons. Via outward investment and exports, the IDE transferred the technology to the other countries that benefited their development. Besides, the IDE's higher resource distribution on the military made its capacity to maintain the competitiveness in civil economy into question (Gerbier 2007). The international relationships are built on the process of fight and competition for "global leader" between the uneven and diverse state economies.

With the end of Cold War, the US political leadership and close economic ties with its traditional allies waned. Part of the reason was due to former communist countries' transformation towards the market-oriented economies that altered the Cold War global capitalist economic system. Following this new wave of development, much of the debate has been centred on the sustainability of the US dominance in managing this new global political economy. Some predicted the unavoidable decline of the US power presence while others argued that there is no better alternative than the current system led by the US. The theory of hegemonic stability has also encountered critics from a number of scholars on theoretical, historical and political grounds. Some of the critics rose due to the rising assertiveness of China. By proposing "offensive realism", Mearsheimer argued that because of international anarchy, each power looks for opportunities to gain influence at each other's expense. Their ultimate goal is to become a hegemon. As such, there is an intense security competition among great powers. If a potential hegemon emerges

and local powers cannot contain it, US troops are likely to come to the region to balance against that rising threat (Mearsheimer 2001).

The US Hegemony in East Asia after WWII

Development of US–Asia connection

Under what Berger called “the US-led modernization project”, a group of countries in Asia was successfully transformed into the modern capitalist countries after WWII. The modernization project centered on the state-guided national development in these countries was actually associated with the US security interests against the communist regimes between the 1940s and the 1970s (Berger 2004). Because of the collapse of Chiang Kai-Shek’s regime in China, the reconstruction of Japan became urgent. The US hoped that its aid on revitalizing Japanese economy could avoid the potential Communist expansion to Japan and allow Japan to replace China as the economic hub of East-Asia (Rotter 1987). The military procurement for Korean War and Vietnam War further promoted the rise of Japan as a regional economic power. Other countries in East Asia, such as Taiwan and South Korea, also benefited from American aid and US military expenditure during the Vietnam War to offset their chronic trade deficits.

Whilst the US would deliver financial assistance and open up its markets, Japan would export technology and carry out foreign direct investment projects to Taiwan and South Korea (Halevi 1998). With a designed industrialization patterns in the region, the specific trade type between the US, Japan, Taiwan, South Korea and other Asian countries developed: Japan, and other Asian nations gained their trade surplus via exporting the goods to the US but most of the Asian countries had a trade deficit with Japan because of the large imports of Japanese high technology and capital goods. In short, without the US tolerance of imported goods from the Asian countries, it is hard to imagine how the “Asian economic miracle” could have been achieved.

This point of view that centered on the US hegemonic position in the Asian economic development and integration also leads to an adaptation of the “flying geese” model. Different from the traditional “flying geese” model that saw Japan as the initial goose, Ozawa suggested the Asian economic miracle was actually led by the US as the first goose, followed by Japan, the Newly Industrializing Economies (NIEs), the Association of South-east Asian Nations (ASEAN) and China. The Pax Americana constitutes an economic system which Ozawa called “hegemon-led macro-clustering”, an extended outcome of “Pax Britannica-led macro-clustering”. Ozawa explained that “Macro-clustering” is a phenomenon in which hegemony generates growth stimuli for its closely aligned group of countries. The growth stimuli include the dissemination of technology, knowledge, skills access to the hegemony’s home market, and institutional arrangements of open market capitalism (Ozawa 2003).

Apart from the economic entanglement, the security relationship between the US and Asian nations have also been quite close. However, unlike the engagement of European nations in a security organization, the North Atlantic Treaty Organization (NATO), Asia’s only regional security organization-Southeast Asia Treaty Organization (SEATO) was so ineffective that it could not resolve the regional conflict via a collective military alliance. Instead, a separate military alliance between each Asian nation and the US has worked more effectively. Every Asian nation depends on the US respectively and all of

them together have formed a security network oriented towards the US as the central power. In Ikenberry's view, these security and economic relationships between the US and Asia have grown into a complex system of interdependencies. The Asian countries export goods to America whilst America offers the military protection for these countries. The exported goods makes the Asian countries accumulate substantial trade surplus while these surplus are used to finance the American deficit (Ikenberry 2004). America acquires the strategic partners to consolidate its dominance in the region while the Asian countries get protection and economic growth. In nutshell, the American policy towards Asia has been a tangled mixture between security and economic considerations (Cumings 1984).

China's economic development within the US-led capitalist system

The US gradual removal of trade barriers against China after China-US reconciliation at the end of the 1970s has contributed to China's smooth integration into the US-Asia economic network (Asia produces and America consumes). With the trade agreement between China and the US in 1979, the US agreed to remove some commercial barriers against China. From 1980 to 1999, the US restored most favored nation (MFN) status to China, offering low tariffs to Chinese exports to the US. Following the 1989 massacre on Tiananmen Square, the legislation sought to tie China's MFN renewal to meeting certain human rights conditions. Eventually, the Americans did not succeed in producing new legislative measures to restrict China's MFN status and the MFN status was still offered to China annually (Pregelj 2001). In 2000, the Permanent Normal Trade Relations (PNTR) status was granted to China before its admission to the World Trade Organisation (WTO) in 2001. Incorporating China into the world economy was considered as the best strategy to deal with this giant country on the rise. In President Clinton's words: "Trade is a force for change in China, exposing China to our ideas and integrating China into the global economy" (CNN News 1998).

The grant of tariff reduction to China's exports has apparently enhanced China-US trade relationship, squeezing out other East Asian countries' importance in the US' external trade. Since 2002, China has replaced Japan to become the most significant exporter to the US market in East Asia. Since 2005, the US has become the top export destination for China (Morrison 2005). China's mounting exports also outstrip other Asian countries to become the US' largest source of trade deficit. US trade deficit with China has begun to surpass its trade deficit with New Newly Industrializing Economies (NNIEs, including Thailand, Malaysia, the Philippines and Indonesia) since 1988, with NIEs since 1991 and with Japan since 2000. US trade deficit with China continued to increase, amounting to US\$319 billion in 2013, about three times greater than the US total trade deficit with Japan and NNIEs (US Census Bureau).

In spite of the closer China-US trade relations, China's involvement in the regional division of labour did not change the economic interdependence between the US and East Asian countries. It only enlarged America's trade imbalance based on the US-Asia economic interdependence that existed since several decades ago. Therefore, the US trade deficit problem is not simply a US-China bilateral commercial imbalance, but rather, it is a commercial imbalance between the US and the whole Asia-Pacific region.

Like other East Asian countries, China also used its substantial trade surplus to purchase US securities. China's holding of US treasury securities had increased from US\$60.3 billion in December 2000 to US\$1263 billion in April 2014, accounting for 21 % of total treasury securities held by foreign countries (US Department of the Treasury). Although China's purchase of US treasury securities helped to fund US budget deficit, there are concerns that China may use it as leverage over US policies. Some pointed out that China's sudden reduction of US securities is less likely as it would concurrently decrease the value of China's remaining dollar-denominated assets. Such a move would also result in a sharp drop of US imports from China and harm China's manufacturing production and employment (Morrison and Labonte 2013).

Debates on the sustainability of the US dominance after China's rise

Even though the likelihood of China's attempt to destabilize the US dollar is questionable, China is unlike America's traditional cold war allies who, on the whole, toe the line of the US politically. Instead, there have always been disagreements on political issues between the US and China. With China's economic rise and growing assertiveness, many scholars doubt whether the regional or global order led by the US would be sustainable. For Beeson, the US strategy to incorporate China into the US-dominated regional economy has backfired after China has grown in economic strength and influence in regional affairs, implying that the US has indirectly created a potential competitor that may challenge its dominance (Beeson 2006). Still many predict that at least in the coming decades, the US hegemonic power will still be unchallengeable in East Asia. On one hand, China does not want to challenge the US military presence in the region, except for in the Taiwan Strait, as it believes that the US would help the PRC to keep an eye on any prospective Japanese or Russian adventurism (Khoo and Smith 2002). On the other hand, China's economic growth and greater economic liberalization have greatly increased links with the US, such as the high ratio of American investment in China and the increasing Chinese exports towards the US market. For over 20 years, China has abandoned the Maoist economic strategy of self-reliance and has chosen to be dependent on the leading capitalist country. Without the dependence on the US for its economic growth, the Communist Party of China cannot assure its enduring legitimacy claims. Therefore, it is argued that China would be reluctant to seek to balance American power in the region (Van Ness 2001).

Nonetheless, the closer economic relations did not lead to more political trust. China is aware of the impact of its emergence on the US. Former Chinese President Hu Jintao in his speech to the US–China Strategic and Economic Dialogue (S&ED) in May 2012 proposed a new type of major power relationship (Glaser 2012). During his visit to the US in June 2013, China's current leader Xi Jinping further defined the concept of “new model of major country relationship” as no conflict and no confrontation; mutual respect; and win–win cooperation (Lawrence 2013). Nonetheless, the US did not seem to fully embrace China's proposal of a “new model”. For the US, to meet China's demand for “mutual respect” would be a challenge. China has made it clear that “sovereignty” refers to not only People's Republic of China's (PRC) sovereignty over mainland China but also Taiwan and disputed maritime territories in the South and East China Seas. The

US could hardly stand “neutral” if its allies’ national security was under threat of China’s aggression.

For Reich and Lebow, the weakening US influence explained their incapability to manage the globalization and to control China’s emergence. On the other hand, Reich and Lebow also considered that China does not intend to use their growing power to reconstitute the global economic system. Instead, Chinese leaders appear intent on preserving the global economic system from which they benefits a lot. According to Reich and Lebow, China has increasingly focused on custodial function, designed to sustain the US-led capitalist system, such as support for the dollar and euro, financial aid and investment in Global South, capital infusion to support American banks and incremental convertibility of the renminbi (RMB). In (Ikenberry 2008) view, the end of US unipolar power does not necessarily mean a war or the overthrow of the rule-based Western system. If the US can strengthen the institutionalized world economy, it is more likely that China will continue with this capitalist economic order. In this regards, with the assistance from China, the US dominant role in the world system continues and may continue to stay in place in the foreseeable future. This is still the US hegemony but appeared in another form. This world based on the US-led order could be more stable with an emerging power to support it rather than to be in confrontation with it. In counterpart, the US has no intention to discipline China’s greater power expansion in the region. The continuing crisis in the Middle East might distract American attention out of Asia again. The US cannot abandon cooperation with China to attain US foreign policy objective in the region (Copper 2014).

For Acharya, in spite of the weakening AWO, a Chinese regional hegemony in Asia is unlikely to materialize. China has serious deficiencies as a global power in terms of its power projection capabilities, its ability to provide public goods or the attractions of its ideology and values. And its myriad conflicts with neighbors would hold it down from achieving both regional and global hegemony. Chinese leaders proposed ideas and institutions for domestic and international governance drawn from China’s own history and culture and seek to image the future world order in terms of their own past. However, the effect of exporting its values is not obvious. The less likelihood of China’s values to be accepted by other countries can be attributed to its insufficient “soft power”. According to the latest released country index of soft power in 2015, China is ranked the last one among the 30 countries investigated. Other large developing countries such as Brazil, Mexico, and Turkey are ranked ahead of China while the UK, Germany and the US are the top three (Soft power index 2015). Without having both hard and soft power at its hands, China can hardly realize “smart power strategies” to overcome difficulties for becoming a global leader (Nye 2009).

There are also a number of discussions on the decline of US hegemony resulting from the US current account deficit and foreign debt. Nonetheless, it is argued that the US power based on its economic superiority and financial stability will not end soon. In East Asia, even though the US capacity to import from the region is diminishing, it is still the largest market for the manufactured goods and one of the largest import sources for most of Asian countries. As mentioned by Levey and Brown, the American hegemonic position would not be seriously threatened unless the US erects a protectionist policy and isolates itself from global trade (Levey and Brown 2005). With reference to the trade

deficit problem, the Asian governments, who pursued export-led growth with undervalued exchanged rates, are still willing to finance the US imports of their final goods. An important reason why the economic system based on the US' accumulation of debt is supported by the majority of Asian countries is that there is no better alternative. Many Asian countries regard amassing foreign exchange reserves via exports as a self-insurance against sudden negative financial shocks. As a result, the US' long term securities held by foreign governments had surged from US\$4466 billion in September 2011 to US\$5961 billion in April 2014. Of this, around 52 % was held by East Asian countries (US Department of the Treasury). Unless the US is unwilling to repay Asia, the system could run into trouble (Dooley et al. 2003).

The world after the US hegemony

The world order in transformation

In parallel to Perroux's thought about global economic instability brought by IDE, Reich and Lebow specified that American effort to maintain order were a primary source of disorder in the international system. However, different from Perroux, Reich and Lebow reject conventional view that emphasizes America's structural position in the global economy or its capacity to leverage its market access by using crude instruments of power.

Reich and Lebow's main points of view regarding the US hegemonic role are listed below:

1. Deterioration of the US power since the post-war period: Different from conventional belief that the US hegemony has continuously existed since the end of WWII, Reich and Lebow considered the American hegemony has quickly eroded during the post-war period following other countries' growing economic strength and political stability.
2. Focus on the US "influence" rather than "power": Reich and Lebow argued that "America is unequivocally powerful but only occasionally influential". Over the past decades, the US translation of its power into influence has proved a failure as shown in the ineffective results of US aid to Egypt and Israel as well as in the case of military invasion in Iraq. The ineffectiveness of US intervention in other countries' affairs showed that a hegemon did not always contribute to international stability.
3. Rejection of hegemon's multi-functional capacity: Reich and Lebow disagreed with the typical realists and liberals' description about hegemon's multiple functions in providing leadership, economic management and security goods. Instead, they believe that the world is shifting towards a division of functions. Other actors will emerge in taking more responsibilities and exert more influence. New transnational forces, coupled with US loss of legitimacy and abandonment of its traditional economic management responsibilities have accelerated the fragmentation of those functions that usually associated with hegemony.

However, the above statements are arguable. First, other countries' development of economic strength during the post war decade, especially Asian countries, has been based on the US market opening up. Although the US progressively ceased the financial

aid to these capitalist countries during the cold war era, the aid actually continued but was transformed into another form. That means the US investment in developing countries as well as consumption of goods from these countries. The so-called state-led economic development in Asia would not have a success if there was no US tolerance of huge imports from these developing countries. In term of political stability in certain countries, it has been based on the military alliance or defense treaty between the US and individual countries to deter potential aggression from another country. For example, the US supplied Taiwan military equipment to prevent from China's invasion. The US aided South Korea in defense the country from being attacked by the North.

Second, the US unsuccessful intervention in Middle East affairs cannot be a strong evidence of US waning influence in the world. Middle East is a complicated region that no country is able to mediate their long term conflict. The US did not succeed in stabilizing the region but we cannot extend this unsuccessful case to assert that the US did not contribute to the international stability. The US power presence did contribute to the stability in Korean Peninsula, Taiwan Strait and South China Sea over the last few decades.

Third, other actors' participation in sharing the responsibilities in global governance can be regarded as a burden-sharing but not the loss of the US legitimacy as a global hegemony. On one hand, the purpose of these countries' involvement in managing global affairs is to support the current capitalist system instead of overturning it. On the other hand, the US would still try to counterbalance the development of regional or global policy economy if that development is considered to deteriorate the US geopolitical interests. For example, the US did not pay attention to the development of institutionalized economic integration in Asia-Pacific. It is the quick growth of bilateral and multilateral Free trade agreements (FTA) in recent years that motivated the US to actively engage in TPP negotiation.

Multiple actors in the future world order

AWO developed by Acharya has a close similarity with hegemonic stability theory but it downplays the coercions aspect. According to Acharya, the contribution of other actors to global peace and order is also important but often underestimated. Unlike liberals or realists who believe the end of US hegemony would mean a world with danger, disorder and disintegration, Acharya think that an increase in the number of greater powers does not necessary resulted in chaos and disorder in international system.

In addition, despite the claims about the US power, its legitimacy and public good functions, Acharya considered that only a small part of the world was influenced by AWO. The soviet bloc, China, India, Indonesia and other "third world" countries were outside it. Therefore, the AWO can be viewed as an international order but not the world order during the post-WWII period. It is until the 1990s when the Soviet Union was collapsed and Eastern European countries and China, India and Vietnam reoriented their economic development, the scope of the liberal order expanded.

Acharya further develops two possible future scenarios after the decline of AWO:

1. Global concert model: This model is a collective hegemony of a group of great powers. While relations among the great powers continue to be competitive, they share a common interest in preserving international stability. As such, rules and institutions

will be developed not only to reduce competition among them but also to manage other conflicts affecting the international system as a whole. In this model, the US would have to give up some privileges in return for trust and cooperation from other powers in order to make this new system work. In the meantime, although emerging powers may possess growing material power, they have their own legitimacy deficits and authority limitations. Hence, they are not in a position to take over leadership positions in global governance.

2. Regional worlds: In regional worlds, regions not only self-organize their economic, political, cultural interactions and identities but also provide an important foundation of world order. The creation and maintenance of regional institutions are not dominated by a single power. Instead, the sources and agency and approaches regarding order are diffuse and shared among actors. For the US, the formation of regional worlds might facilitate more burden-sharing. For other countries, regional worlds could be more reflective of the interests and identities of the local actors, instead of serving America's interest alone. The greater push for regionalism might make the reform in global institutions (such as the United Nations) more likely. In regional world, power matters, but local responses to power may matter even more in the construction of regional order.

Although the two models for the future order are quite possible, they do not jump out of the "centre-periphery" relations. As mentioned by Acharya that emerging countries and not able to take over the leadership role in the global concert model, the US leading position will remain. The US could probably adopt some soft or smart strategies vis-à-vis the emerging powers to ensure that the US is still the rule-maker in this global system. It is true that the US could abandon some of its privileges in exchange of trust or cooperation from other countries. But this "comprising strategy" with other countries has been existed in US foreign policy over the last few decades. Despite the abandonment of some of its privileges, it did not harm the US leadership position in the world.

The development of "regional world" is even more probable. Nonetheless, as Acharya also articulated that the regional institutions will not be dominated by a single power, they are more like a burden-sharing mechanism for the US. As such, the regional institutions will help to shape the development of world order towards a model acceptable for both developing and developed countries. Therefore, it is going to strengthen the legitimacy of the US hegemony, instead of undermine the us power presence.

Conclusion

The two books reviewed are highly entertaining and offer thought-provoking analysis. While Reich and Lebow's analysis is mainly on formulating a more realistic place for the US in world affairs, Acharya offers some suggestions on how the US should behave in the face of multiplex world. Built upon an insightful combination of theoretical and empirical approaches, these two books make important contribution to advance the debates on the study of international relations and critical thinking on the practice of foreign policy.

One important common feature of the two books is that they do not focus on China's challenge to the US dominance alone. Instead, they regard the world as a whole and China is one of the essential elements in constructing the future world order. In other

words, the two books do not emphasize on the “zero-sum” game of Sino–US power relations. Indeed, like other Asian countries, China’s development also depends on exporting goods to America. This was an American strategy to incorporate the Communist China into the global economy while expecting that economic integration would be helpful to restrain Moscow’s power. Chinese officials also claimed that the country does not seek global hegemony and will follow the existing world order. Although China’s growing economy has enhanced its assertiveness in global affairs, as the two books indicated, China is still far from a leader in Asia as well as in the world.

As such, when looking at the world entirely, we may not need to worry about how China can fit with the existing world order that we are accustomed to. China’s current rigid one-party political system is very different from the majority of countries in the world which are in either two-party or multi-party systems. Therefore, it may be more in China’s worry that, following its deeper integration with the global economy, how the Chinese socialist values can cope with the capitalist world and how the rise of an authoritarian regime can be accepted by most of the democratic countries in the world.

If China was not able to challenge the US hegemony, there is no question that that the US supremacy would continue to stay. The burden-sharing from other countries in global governance do not necessary lead to another round of power transition, whether to another single power or to several powers. As most of Asian countries’ economic development and national security all depend on the US, the emergence of several regional organizations (e.g.: AIIB, FTAAP etc.) will not change the fundamental relations between America and Asia. More importantly, the US is not willing to give its power away to others.

Through TPP, the US is trying to set up new rules for the future world order. The development of other institutionalized economic network in East Asia is not going to weaken the US dominance but rather, it could enhance the existing capitalist system led by the US. In sum, it is still not clear that the division of labour in global governance at present will translate into the US power decline. It is true that the world dominated by the US is not stable. And this instability brings about appearance of several possibilities in terms of future global governance. Nonetheless so far, none of them appeared to be a replacement of the current US-led world order.

Competing interests

The author declares no competing interests.

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