

Examine the view that a new South has risen and is challenging US hegemony

We have about 50% of the world's wealth but only 6.3% of its population. This disparity is particularly great as between ourselves and the peoples of Asia. In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security. (Kennan, 1948: 524)

Since George Kennan articulated this central US foreign policy recommendation in 1948, the United States has made good on this strategy. The preponderance of US wealth, power and influence in modern political affairs has been unlike the sort of any hegemon in history. But by the advent of the twenty-first century, it became clear that unprecedented economic growth in China and India had begun to diminish this great disparity. And with the concurrent economic achievements of Brazil and Russia, these four demographically large states (“BRIC”) have risen to lead other non-Western emerging economies (collectively, the “South”) in a global realignment of distributive power at the apparent expense of the West. Yet, while this rise of the South is indeed a test of US hegemony, under closer inspection, its threat is less potent, and therefore less precipitous to American primacy than some portend.

This paper will temper the popular view that the rising South is purely symptomatic of declining US hegemonic power. Instead, we will argue that the reason why this shift occurred is considerably due to the forces of globalization, by pressures on internal BRIC-state structural power and efficiency, and by national ambition. We will then confront how this Southern challenge is disruptive to US global dominance. The main focus will train on BRIC states as they are the overwhelming source of emerging market growth and global integration and therefore represent overwhelming relevance to this discussion. But, before we can begin, we must first briefly define the concept of “hegemony” and understand why states become great powers.

“Hegemony”, as adopted herein, is taken to mean governmental exercise of power supremacy manifested as "domination" and as "intellectual and moral leadership" over a system of sovereign states (Gramsci in Arrighi, 1990: 366). The US has enjoyed varying degrees of historical hegemonic status, but it would be unrealistic to think it will dominate world affairs indefinitely, because civilization is “a movement and not a condition, a voyage and not a harbour” (Toynbee in Khanna, 2008: 326).

Accordingly, some scholars see the self-inflicted wounds of the War on Terror, the 2008 global financial crisis, rising US deficits, and dysfunctional internal politics as losing global leadership cards in a zero-sum globalization game (Pape, 2009; Rachman, 2011: 62). Indeed, due to presumed crippling imperial overreach, “the United States is learning that history happens to everyone — even Americans” (Khanna, 2009: 323), because the rise and fall of hegemonies represents an “observable pattern of great power emergence” (Layne in Beckley, 2011/12: 44). These neorealist assumptions stem from the fusion of hegemonic stability theory with realist balance of power thought. That is to say, that the US is in decline due to falling US global output because hegemony in a liberal international system is an expensive burden the United States carries in maintenance of two interdependent objectives: its primacy and peaceful world order. Ensuing instability created in the self-help system therefore undermines the peace as rival states vie for power in the wake of US deterioration (Beckley, 2011/12: 44; Kiely, 2010: 224; Pape, 2009). However, US decline is tempered when one considers that global output is only one measurement of a state’s resources. US transnational corporation ownership remains formidable and American corporations, which are largely owned by US residents, lead the way in numerous industrial sectors (Starrs, 2014: 92). In the context of a rising South then, whether US global primacy power is being challenged depends much upon whether the pressure of BRIC structural factors (freedoms or constraints) have caused enough stresses to push BRIC into pursuing great power status in response (Waltz, 1979: 161-163; Layne, 1993). These pressures emanate from the external transnational forces of globalization.

Globalization converged the South with transnational processes occurring on multiple economic, political and cultural levels which significantly transformed BRIC-state capability for rapid economic advancement. Low standards of living of the formerly inward-looking BRIC created a space in which mass production and manufacturing could occur at a fraction of the cost any Western economy could accommodate. Consequently, they were frequently able to outcompete more affluent US and developed core economies which were compelled to outsource parts of their business in order to remain competitive. This relationship exposed the South to higher advancing technology and greater foreign direct investment (FDI). This in turn opened their economies up to stronger competitors, new expertise, innovation, and knowledge which instilled competitive pressure on domestic private firms previously protected by government over-regulation. Additionally, as latecomers to the globalized world, BRIC states could eschew long term investments in research and development and maximize more cost and time effective ways of “mastering open processes instead of developing proprietary ones” (Beckley, 2008: 52). By embracing globalization, the