

2 The Changing U.S. Hegemony in East Asia

The United States emerged as a great power during the late nineteenth and early twentieth centuries.¹ Traditionally, the United States had exported raw materials, imported finished manufactures, and made up the usual deficit in trade by the export of gold. But the post-Civil War boom in industrialization transformed that pattern. Swiftly becoming the world's largest producer of manufactures, the United States began to pour its farm machinery, iron and steel wares, machine tools, electrical equipment, and other products onto the world market. Its national income, population, and per capita income can be reflected in Table 4.1². In 1914, the United States produced 455 million tons of coal, well ahead of Britain's 292 million and Germany's 277 million. It was the largest oil producer in the world, and the greatest consumer of copper. Its pig-iron production was larger than those of the next three countries (Germany, Britain, France) combined, and its steel production almost equal to the next four countries (Germany, Britain, Russia, and France)³. It came out of World War I as the world's leading source of manufactured output, financial credit, and foreign direct investment.⁴ The dramatic growth in U.S. economic power, juxtaposed to the role the United States played in interwar economic diplomacy, prompted Kindleberger's often cited phrase that the United States was "able" but not "willing" to lead the world economy during the depression years⁵. The economic power of the United States increased further

1 Farhad Zakaria, *From Wealth to Power: The Unusual Origins of America's World Role* (Princeton, NJ: Princeton University Press, 1999).

2 Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1988), p.243.

3 *Ibid.*, p.244.

4 Jeffrey Frieden, "Sectoral Conflict and U.S. Foreign Economic Policy, 1914-1940," *International Organization* 42, No. 1 (winter 1988): 59-90; and Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1988).

5 Michael Mastanduno, "Incomplete Hegemony and Security Order in the Asia-Pacific," in *American Unveiled: The Future of the Balance of Power*, ed. by John Ikenberry (Cornell University Press 2002), p.188

during World War II, and following that conflict the United States did assume a more global role both militarily and economically.

Table 2.1 National Income, Population, and per Capita Income of the Powers in 1914

Items	National Income (USD,billion)	Population (million)	Per Capita Income (USD)
United States	37	98	377
Britain	11	45	244
France	6	39	153
Japan	2	55	36
Germany	12	65	184
Italy	4	37	108
Russia	7	171	41
Austria-Hungary	3	52	57

The United States hegemony during the Cold War, however, has never completed in that the Soviet Union posed a geopolitical challenge and represented a viable ideological alternative. Until the 1980s, the U.S. felt the best it could do was to “contain” communism so that it would not penetrate and undermine the capitalist and democratic order under construction in various parts of the world. The end of the Cold War in 1991 represents not just the disappearance of the Soviet Union as a superpower challenger to the United States, but also the disappearance of the ideological alternative it presents for domestic and international political order. In this chapter much space will be used to explain why the American hegemony has risen in the post World War II and how it has undergone changes since 1990’s.

2.1 The Emergence of American Hegemony

The United States emerged from World War II with a vision of the new international order. The Rooseveltian vision, named after President Franklin Delano Roosevelt, foresaw a universal political order embodied in the principles of the United Nations and cooperation among the victorious powers. In addition to these political

arrangements, this vision was also incorporated in the reestablishment of the liberal, and multilateral world economy. The Bretton Woods Conference⁶ has created that a group of new economic institutions, which were to include the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (World Bank), and the International Trade Organization (ITO), greatly contributing to the promotion and administration of an open and multilateral world economy. With the defeat of the ITO by the United States Congress, the United States and its economic partners, in 1947, established the General Agreement on Tariff and Trade (GATT) as a negotiating forum to reduce barriers to international trade.

However, the Soviet-American confrontation over the territorial settlement in Central and Eastern Europe destroyed the wartime spirit of Allied collaboration. The world was driven into what Joseph Stalin called the two “systems” of capitalism and socialism.⁷ The United States and its allies carried out an economic, political, and security arrangements and provided for their common security. “The American System”, as Robert Gilpin says, “then emerged from this joint effort of the United States and its allies.”⁸

At the core of the American System, consisting of the American relationship with Western Europe and the American relationship with Japan, was a shared perception of the overriding danger of the Soviet threat.⁹ In the interest of political unity, the United States and its allies agreed to subordinate their divergence to the political priority of containing Soviet power.

6 Bretton Woods conference known as The United Nations Monetary and Financial Conference, was a gathering of 730 delegates from all 45 Allied nations at the Mount Washington Hotel, situated in Bretton Woods, New Hampshire. The conference was held from July 1 to 22, 1944, when the agreements were signed to set up the International Bank for Reconstruction and Development, the General Agreement on Tariffs and Trade (GATT), and the International Monetary Fund (IMF). As a result of the conference, the Bretton Woods system of exchange rate management was set up, which remained in place until the early 1970s.

7 Robert Gilpin, “*The Rise of American Hegemony, in Two Hegemonies: Britain 1846-1914 and the United States 1941-2001*” (Aldershot: Ashgate Publishing, Ltd., 2002), pp. 165-182.

8 *Ibid.*, pp. 165-182.

9 Michael Mastanduno, “Incomplete Hegemony and Security Order in the Asia-Pacific,” *American Unveiled: The Future of the Balance of Power*, ed. by John Ikenberry (Cornell University Press 2002), p.168.

2.1.1 American-West European Component

As relations with the Soviet Union deteriorated after 1945, the United States realized that there were regional security problems in Western Europe. The most pressing issue was to revitalize the West European economy and to find a way to warrant the security of the West Europe against the Soviet Union. To achieve these goals, the America had to be linked to Western Europe by doing something.

The first initiative was the Marshall Plan,¹⁰ a primary plan of the United States for Europe's economic recovery and creating a foundation for the allied countries of Europe, and repelling communism after World War II. This plan transferred huge capital resources from the United States to Western Europe and the cost of this Plan to the America was estimated \$13 billion (more than \$100 billion in today's dollars) over four years or some 1.5 percent of the American Gross National Product.¹¹ The United States was able to support the plan because it was the world's major creditor at the end of World War II.

The Marshall Plan ended in 1951 and the years from 1948 to 1952 saw the fastest period of growth in European history. Industrial production increased by 35%. Agricultural production substantially surpassed pre-war levels.¹² The poverty and starvation of the immediate postwar years disappeared, and Western Europe embarked upon an unprecedented two decades of growth that saw standards of living increase dramatically.

The political effects of the Marshall Plan may have been just as important as the economic ones. It helped get the European economies through a balance-of-payments

10 The plan was named for United States Secretary of State George Marshall and was largely the creation of State Department officials, especially William L. Clayton and George F. Kennan.

11 Michael J. Hogan, *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952* (Cambridge: Cambridge University Press, 1987), p.415

12 Robert C. Grogan, *Natural Enemies: The United States and the Soviet Union in the Cold. War, 1917-1991* (Lanham, MD: Lexington Books, 2001), p. 118.

crisis and the aid allow the nations of Western Europe to relax measures and rationing, reduce discontent, and bring political stability. For example, the Marshall Plan defused potentially revolutionary situations in Western Europe and helped prevent a Communist tide from engulfing West Berlin, Italy, and perhaps even France.¹³ In other words, the communist influence on Western Europe has greatly reduced, and throughout the region communist parties has faded in popularity in the years after the Marshall Plan. The Marshall Plan, linked into the Bretton Woods system, also mandated free trade throughout the region. The trade relations also have helped forge the North Atlantic alliance that would persist throughout the Cold War.

The Marshall Plan also played an important role in European integration. The United States felt that European integration was necessary to secure the peace and prosperity of Europe, and thus used Marshall Plan as an instrument to the process of European economic integration, presaging today's European Union in the Organization for European Economic Cooperation (OEEC). In some ways this effort failed, as the OEEC never grew to be more than an agent of economic cooperation. Rather it was the separate European Coal and Steel Community, which notably excluded Britain, that would eventually grow into the European Union. However, the OEEC served as both a testing and training ground for the structures and bureaucrats that would later be used by the European Economic Community (EEC).

The second initiative supported by the United States was the framing of what would become the European Common Market or EEC. In 1945 Jean Monnet was appointed as Planning Commissioner in France. In this post he became responsible for economic reconstruction. He began working on a scheme that he eventually proposed to Robert Schuman, the French Foreign Minister, in 1949. Robert Schuman, on May 9,

13 Niall Ferguson, "Dollar Diplomacy: How much did the Marshall Plan really matter?" *The New Yorker*, August 27, 2007, p.83.

1950, made a public appeal to mobilize citizens to “take a leap into the unknown.”¹⁴ This Schuman Declaration was the basis for the European Coal and Steel Community (ECSC) established in 1952. It was agreed that the six countries that signed the Treaty of Paris, Belgium, France, Italy, Luxembourg, the Netherlands and West Germany (the Six), would pool its coal and steel resources. In 1958 the European Coal and Steel Community evolved into EEC.

The EEC was an organization established by the Treaty of Rome on March 25, 1957 among the Six. The EEC had as its aim the eventual economic union of its member nations, ultimately leading to political union. It worked for the free movement of goods, service, labor and capital, the abolition of trusts and cartels, and the development of joint and reciprocal policies on labor, social welfare, agriculture, transport, and foreign trade. While the primary responsibility for this truly extraordinary initiative lay with the West Europeans themselves, the United States gave the project its complete backing.

Although the political goal of reconciling France and Germany¹⁵ was the principal purpose of the EEC, its proponents believed that the creation of a huge market in Western Europe would give the West Europeans the economic strength to resist their domestic Communist Parties.¹⁶ In addition, the members of the EEC considered the institution as a way to consolidate its relations with West Germany¹⁷. Although the Common Market represented a violation of the American ideal of a multilateral world and entailed European discrimination against American exports,

14 Edmul Dell, *The Schuman Plan and the British Abdication of Leadership in Europe* (Oxford, Oxford University Press, 1995), p.22.

15 The two countries feuded with each other for hundred years. Between 1870 and 1945, there were three wars happened.

16 Robert Gilpin, “*The Rise of American Hegemony, in Two Hegemonies: Britain 1846-1914 and the United States 1941-2001*” edited by Patrick Karl O’Brien and Armand Clesse (Aldershot: Ashgate Publishing, Ltd., 2002), pp. 165-182.

17 Historically the industrial Ruhr and other areas of West Germany had looked eastward for their export markets. These markets were in Communist hands and the alternative markets, like EEC, had to be found to decrease the West German temptation to strike an independent deal with the Soviets.

The United States accepted these economic costs as necessary for security reasons. One can see that the United States could tolerate European protectionism because of not only its immense economic superiority over the Europeans and other countries but also its long-term strategy of thwarting Soviet expansionist designs. The United States also believed that, when Western Europe had regained its economic strength and self-confidence, the West Europeans would lower their external barriers and participate in the open world economy envisioned by the United States at Bretton Woods.

The United States, however, demanded an economic *quid pro quo* from the West Europeans that would become an important factor to consolidate American hegemonic role in the region. As a precondition for supporting the movement toward European economic unification, the West Europeans agreed to treat American multinational corporations as if they were European corporations and to avoid discriminating against them in their policies. Or, in more technical language, the West Europeans extended the principle of “national treatment” to American firms. While the United States demanded access to the EEC for American corporations, it tolerated what it assumed would be the temporary discrimination against American agricultural and other exports in order to rebuild Western Europe.

The third initiative was the creation of the North Atlantic Treaty Organization (NATO). The Treaty of Brussels, signed on March 17, 1948 by Belgium, the Netherlands, Luxembourg, France, and the United Kingdom, is considered the precursor to the NATO agreement. This treaty established a military alliance, later to become the Western European Union. However, American participation was thought necessary in order to counter the growing military power of the Soviet Union, and therefore talks for a new military alliance began almost immediately. These talks resulted in the establishment of NATO by the signing of the North Atlantic Treaty in

Washington on April 4, 1949. It included the five Treaty of Brussels states, as well as the United States, Canada, Portugal, Italy, Norway, Denmark and Iceland. Three years later, on 18 February 1952, Greece and Turkey also joined.¹⁸

With headquarters in Brussels, Belgium, the organization established a system of collective defense whereby its member states agree to mutual defense in response to an attack by any external party. The Parties of NATO agreed that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all. Consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense will assist the Party or Parties being attacked, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.¹⁹

One can see that the creation of NATO is a response to the growing power of the Soviet Union and the military threat it could pose to Western Europe. With the United States as the dominant player in NATO, it meant committing U.S. power to preserving stability and security in the region following the ravages of the World War II. Through the creation of the NATO, the United States brought Western Europe under the protection of its nuclear umbrella as deterrence to the Soviet Union. The deployment of American troops in Europe became a symbol of this commitment. The NATO Treaty has thus solidified and legitimized for Americans and West Europeans as the common defense mechanism.

Through the Marshall Plan, the EEC, and the NATO, the eventual economic

18 Recent membership of NATO (year of entry in brackets): Bulgaria (2004), Belgium (1949), Canada (1949), Czech Republic (1999), Denmark (1949), Estonia (2004), France (1949), (West) Germany (1955), Greece (1952), Hungary (1999), Iceland (1949), Italy (1949), Latvia (2004), Lithuania (2004), Luxembourg (1949), Netherlands (1949), Norway (1949), Poland (1999), Portugal (1949), Romania (2004), Slovakia (2004), Slovenia (2004), Spain (1982), Turkey (1952), United Kingdom (1949), United States (1949). In 1954, the Soviet Union suggested that it should join NATO to preserve peace in Europe. The NATO countries ultimately rejected this proposal.

19 Article 5, Charter of The North Atlantic Treaty.

union of its member nations, ultimately leading to political union. Moreover, the economic and security tie has henceforth closely strengthened the relationship of the United States and its West European allies since the end of World War II. Thus, in its effort to contain Soviet expansion, the United States has solidified its hegemonic position in West Europe. As Robert Gilpin concludes that although both the United States and the Soviet Union sought to expand their domain, the United States was the most successful expansionist power in the postwar era.²⁰

2.1.2 American-East Asian Component

In East Asia the United States has also faced a serious political, economic, and strategic challenges after the end of World War II, while the Soviet Union had fortified its status in East Asia. China and North Korea have become communist countries and the political allies of the Soviet Union. Similarly to West Europe, the concern existed that East Asia might be pushed toward the Soviet Union and its allies. The United States had taken several initiatives in the region.

The first initiative was to guarantee Japanese security through the signing of American-Japanese Mutual Security Treaty (MST). Because since 1960, the strategic position in Pacific Asia region has made Japan a crucial and indispensable ally for the United States to practice its policy of containment of the Soviet Union since 1960's. And in Washington's view, the quick reconstruction was an essential precondition for the desired regional order.

The MST signed between the United States and Japan in Washington D.C. on January 19, 1960. The treaty is different from the NATO alliance. Under the NATO treaty an external attack on any member obliges the other members to consider

20 Robert Gilpin, "*The Rise of American Hegemony, in Two Hegemonies: Britain 1846-1914 and the United States 1941-2001*" edited by Patrick Karl O'Brien and Armand Clesse (Aldershot: Ashgate Publishing, Ltd., 2002), pp. 165-182

measures of mutual defense. In the MST, the United States agrees to defend Japan if Japan is attacked, but the Japanese are not obligated to defend the United States.²¹ Also, whereas the NATO agreement applies only to the territory of its members, the MST refers to the outbreak of hostilities in the entire Pacific region. The Treaty strengthened Japan's ties to the "West" during the Cold War era and also included general provisions on the further development of international cooperation and on improved future economic cooperation.

In order to integrate Japan into a framework of economic relationships and remove the attractiveness of the communist-dominated Asian market, the United States supported Japan to join into the "Western Club". Despite West European reluctance Japanese economic competition, the United States helped Japanese participation in the International Monetary Fund (IMF), the World Bank, and other international organizations. The United States also gave Japan free entry to the American market and to its technology. Furthermore, the United States helped Japan rebuild its economy without demanding access to the Japanese market for its multinational corporations. Instead, the thing given in return for American was the Japanese permission to use its air and naval bases in pursuit of its policy of containment of the Soviet Union.

The second initiative was the creation of the Southeast Asia Treaty Organization (SEATO). It is an international organization for collective defense established on September 8, 1954 and was dissolved on June 30, 1977. The organization was primarily created as part of the Truman Doctrine of creating anti-communist bilateral and collective security treaties. These treaties and agreements were intended to create alliances that would contain communist power. The United States was the primary

21 Robert Gilpin, "International Politics in the Pacific Rim Era", *Annals of the American Academy of Political and Social Science*, Vol. 505, The Pacific Region: Challenges to Policy and Theory (Sep., 1989), pp. 56-67

force behind the creation of SEATO, which expanded the concept of anti-communist collective security to Southeast Asia.

The membership of SEATO reflected a mid-1950's combination of "out of area" powers and "in area" pro-Western nations. France, the United Kingdom, and the United States represented the strongest Western powers. Australia, Thailand, the Philippines, and New Zealand represented Europeanized or pro-Western nations in the Southeast Asian area. SEATO was designed to be a Southeast Asian version of NATO, in which the military forces of each member would be coordinated to provide for the collective security for the members. SEATO did use portions of the military forces of its members in annual joint training manoeuvres.

The third initiative was the establishment of The Australia, New Zealand, United States Security Treaty (ANZUS or ANZUS Treaty). The treaty came about following the close cooperation of the United States, Australia and New Zealand during World War II, during which time Australia had come under attack by Japan. Following the end of World War II, the United States was eager to normalize relations with Japan, particularly as the Korean War²² was still raging a short distance from Japan. With the involvement of China and possibly the Soviet Union in Korea, the Cold War was threatening to become a full-scale war. However, Australia and New Zealand in particular were reluctant to finalize a peace treaty with Japan that would allow for Japanese rearmament. Both countries relented only when an Australian and New Zealand proposal for a three-way security treaty was accepted by the United States. The resulting treaty was concluded at San Francisco on 1 September 1, 1951, and entered into force on April 29, 1952. It is the military alliance which binds Australia

22 As early as 1947 the United States came to see South Korea as important to the revival of the Japanese industrial economy, which provided goods and services to Korea. From that time on, U.S. policymakers were privately committed to extending the Truman Doctrine, which called for the containment of Communism, to South Korea. The intervention of Korean War, fought between 1950 and 1953 on the Korean Peninsula, was considered by the United States as a right place and right way to contain the expansion of Soviet Union and its allies.

and New Zealand and, separately, Australia and the United States to cooperate on defense matters in the Pacific Ocean area, though today the treaty is understood to relate to attacks in any area.²³

Beside those major initiatives to contain the communism, the United States also signed bilateral treaties with some countries in East Asia respectively, such as Mutual Defense Treaty between the Republic of the Philippines and the United States of America (1951), Security Treaty Between the United States and Japan (1951), Sino-American Mutual Defense Treaty (1954, treaty between ROC and the United States), Mutual Defense Treaty (1954, created an alliance with South Korea, and established basis of South Korean adherence with U.S consultations on North Korean policy), U.S. and Japan Mutual Defense Assistance Agreement (1954), and Southeast Asia Collective Defense Treaty (1954, created SEATO mutual defense organization). These treaties are key factors in maintaining the regional order in East Asia as well. Through these organizations and treaties, the United States then has become the most powerful country in the international system. And with its power and influence in East Asia, the United States position in East Asia thereby has secured and American hegemony has gradually emerged.

• **2.2 How Has the U.S. Become Hegemonic in East Asia?**

By the end of the 19th century the U.S. surpassed Britain in industrial production. In the WWI the potential to translate U.S. economic power into military force was demonstrated. But the U.S. did not yet have either the will or the ability to match Britain's global political network. It was not until the aftermath of the WWII, with the

²³ The treaty was previously a full three-way defense pact, but following a dispute between New Zealand and the United States in 1984 over visiting rights for nuclear-armed or nuclear-powered ships of the U.S. Navy in New Zealand ports, the treaty no longer applies between the United States and New Zealand, but is still in force between either country and Australia, separately.

British and other European imperial powers either destroyed or exhausted and the U.S. untouched and triumphant did the U.S. seize political, institutional, and ideological hegemony.²⁴ The U.S. proclaimed a struggle with the Soviet Union, formalizing alliances with Britain, France, Germany, Italy, and Japan, and the new regimes rising from the European empires. The U.S. foreign policy from World War II up to the present has had one elemental constant—the attempt to sustain American hegemony. That is to say, they have pursued a hegemonic strategy that reserves a special role for the United States as the principal guarantor of the regional order. There are two components to explain why the U.S. has become hegemonic in East Asia: its military presence and its economic presence. However, according to Dennis Florig’s analysis, the most fundamental variation in American hegemonic strategy has been an oscillation between policies of confrontation against adversaries and hegemonic engagement of potential challengers to U.S. power.²⁵

The U.S. has more than 1.4 million active personnel, and over 369,000 of those are deployed outside the United States and its territories. There are many reasons: the maintaining of the regional order in the aftermath of World War II, the Cold War, in which the U.S. government thought it needed troops around the globe to deal with the threat from the Soviet Union, and the War on Terror. In order to maintain a forward political and military commitment to East Asia of “indefinite duration.” the United States has taken several initiatives, including maintenance the U.S. largest military command and the stabilization of the U.S. troop presence in the region.²⁶ The United States also intends to maintain its dominant position in maritime East Asia. Its

24 Dennis Florige, “*From the Cold War into the 21st Century: Change and Continuity in American Hegemonic Strategy*”, in Graduate School of International Studies, Hanyang University, Seoul Korea, 2004, to be published by Cheongju University.

25 *Ibid.*

26 As of 2005, the United States set over 700 military bases in over 36 countries worldwide. The number of US troops on land and afloat in the East Asia (not including the Middle East or Central Asia) has surpassed those forward deployed in Europe. More than 100,000 troops are mainly based in Japan and South Korea with the rest in Diego Garcia, the Philippines, Singapore, and Thailand, afloat or on various attachments.

alliances with Japan and South Korea provided secure access in Northeast Asia. In Southeast Asia, the U.S. Navy relies on “places, not bases.” By the end of the 1990s, The United States had concluded access agreements for naval facilities in Indonesia, Malaysia, Singapore, and Brunei, along with a status-of-forces agreement with the Philippines.²⁷

2.2.1 Promotion of Economic Liberalism

Economic liberalism refers to the maximum role of markets and competitive forces in an economy. And the state’s role is limited to the establishment of the necessary framework in which markets can operate and to the provision of services which private enterprise cannot provide. The United States thought the concept of economic liberalism would underpin its move towards a free market capitalist economic system in East Asia. Like Robert Wade says, “The United States sees free capital movement as a wedge that will force other economies to move in its direction. As a result, the U.S. Treasury Department has been leading a campaign to get the main international economic and financial institutions to promote the extension of liberal international economic policies inclined to be easier to practice capitalism in Asian states.”²⁸ The United States offered financial aid to many countries in East Asia after World War II with a precondition of their adopting the system of economic liberalism to a greater or lesser degree.

In the first year after World War II, it is estimated that Japan’s GDP was 50% of what it was in 1939.²⁹ One cannot deny the fact that the American strategy of containing Communism helped to bring about the economic miracle and promote the

27 Robert S. Ross. “The Geography of the Peace: East Asia in the Twenty-first Century,” *International Security* Vol. 23, No. 4, Spring 1999, pp.85-86.

28 Robert Wade, “The Coming Fight over Capital Flows,” *Foreign Policy*, Winter 1998-99, Vol. 113, pp.41-54.

29 James Dobbins, *America’s Role in Nation Building: From Germany to Iraq* (Washington D.C.: RAND, May 2, 2003), pp.159-160.

modernization and the process of regional integration for many countries in East Asian. Regarding the economic miracle, the starting point was Japan. The U.S. military shield and political guidance provided a security framework for the captains of the Japanese industry to resume their work and, in a matter of years, transform the collapsed economy into a booming one. South Korea, Taiwan, Hong Kong and Singapore led the rest of the region in mastering these lessons and transforming themselves into “the newly industrialized economies.” Like Japan, these “four dragons” needed foreign outlets for their export-oriented industries, and the United States kept its market open for their products as it had for those made in Japan.

The role of the United States in Asia-Pacific Economic Cooperation (APEC), for another example, has been to push member states in the direction of liberalization. In negotiations with Japan, China, and South Korea, the United States has all alone promoted trade liberalization bilaterally and multilaterally through multiple international organizations such as World Bank, IMF, General Agreement on Tariffs and Trade (GATT), and later on after 1990 the World Trade Organization (WTO). Besides these, there is one important factor “Washington Consensus” needed to be discussed. The United States has pushed financial liberalization in Asia under the support of the “Washington Consensus” developed and implemented by the IMF, including a revision of the IMF’s constitution (its articles of agreement) to require countries to commit themselves to capital account liberalization as a condition of fund membership, and the World Trade Organization’s financial-services agreement commits countries to open their banking, insurance, and securities markets to foreign firms.

2.2.2 Washington Consensus

The Washington Consensus is a phrase coined in 1987-88 by John Williamson to

describe a relatively specific set of ten economic policy prescriptions that he considered to constitute a “standard” reform package promoted for crisis-wracked countries by Washington-based institutions such as the International Monetary Fund, World Bank and U.S. Treasury Department. The reform package included ten broad sets of recommendations: 1) Fiscal policy discipline; 2) Redirection of public spending; 3) Tax reform – broadening the tax base and adopting moderate marginal tax rates; 4) Interest rates that are market determined and positive in real terms; 5) Competitive exchange rates; 6) Trade liberalization – liberalization of imports, with particular emphasis on elimination of quantitative restrictions; 7) Liberalization of inward foreign direct investment; 8) Privatization of state enterprises; 9) Deregulation -abolition of regulations that impede market entry or restrict competition; and, 10) Legal security for property rights.

Washington consensus has acquired a secondary connotation, being used to describe a stipulated arena of policies, broadly associated with expanding the role of market forces and constraining the role of the state, sometimes also described as neo-liberalism or market fundamentalism. That means the introduction of the Washington Consensus has caused a swing from state-led to market-oriented policies.³⁰ Countries that have implemented market policies following Washington Consensus in Asia are South Korea, Thailand, Indonesia and India³¹ The Consensus has since consequently given the United States a support to open up less developed countries in Asia to investments from large multinational corporations and their wealthy owners. One can see that the Washington Consensus has also played an important role in constructing American economic hegemony in East Asia.

30 Charles Gore, “The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries,” *World Development*, Vol. 28, No. 5, p.789.

31 In other countries that have implemented market policies following Washington Consensus, mainly in Latin America, are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Morocco, Nicaragua, Paraguay, Peru, Tunisia, Uruguay, and Zambia.

The American promotion of the economic liberalism has two features. First, the maintenance of institution-based hegemony relies on its hard power. Second, in order to maintain the legitimacy and longevity of its hegemony, the United States has also to some degrees adopted what is called strategic self-restraint: a benign hegemony.³²

2.2.3 Benign Hegemony

Unlike coercive forms of hegemony, such as Japan's prewar regional prosperity in East Asia, benign hegemony ensures respect for leadership by encouraging a widespread sharing of economic benefits and frequent consultations with lesser powers. Since World War II, the United States has been highly successful in using its power to legitimate its "benign hegemony". As Victor Sumsky says, "If World War I turned America into one of several globally important centers of power, World War II propelled it to absolute dominance in the Western world. To maintain this position and to use it as a basis for still greater expansion, the U.S. found it necessary to wage and win what is known as the Cold War, with East Asia as a major battleground."³³ This section is to explain why in East Asia the actions of the American hegemony after the World War II have been commonly justified by the argument that they are motivated by benign objectives.

Power vacuum in post-War period, with America as its leader, the anti-Communist campaign was conceived as a military, political, economic and cultural effort of all who joined it. In East Asia, the American strategy of containing Communism helped create the East Asian economic miracles. Take aforementioned Japan as an example. In Washington's view, the Japanese reconstruction was a guidepost fighting against the rise of local Communism and an essential precondition

32 Chen Dongxiao, "American Hegemony and Paradox of International Institutions", December 3, 2006, pp.6-7.

33 Victor Sumsky, "America in East Asia: The Rise and the Waning of a Benevolent Hegemon Image," *The Japan Journal of American Studies*, No. 18, 2007, p.127.

for the regional order. The United States provided a security framework for the Japanese and helped them to restore economy. And the United States also helped South Korea, Taiwan, Hong Kong and Singapore (Four Dragons) to transform themselves into the newly industrialized economies by adopting Japanese experience.

The setback of Vietnam War made the United States consider it need a barrier—a chain of stable political regimes sympathetic to each other and friendly towards Washington. The Association of Southeast Asian Nations (ASEAN) was launched in 1967.³⁴ Unlike SEATO, ASEAN was not a military bloc but the members were united by a resemblance in their political, economic and ideological aspirations. Much like in Japan and the Four Dragons, production and services were developing within the framework of export-oriented, mixed economies, combining market freedoms with a healthy dose of state regulation. The East Asians were interested, above anything else, in sustaining their economic dynamism and avoiding any political instability that might disrupt it. They feared for the peace and prosperity of the region from the conflicts, such as the multilateral dispute over the sovereignty of the South China Sea Islands. Therefore, America's presence was considered important to the regional order. In 1991 Manila legislators voted for the evacuation of the U.S. bases from the Philippines, other ASEAN countries for fearing of the second power vacuum immediately offered the U.S. Navy and Air Force access to seaports and airfields. Mindful of sweeping generalizations, one might suggest that those sufficient factors, these countries have reason to view the United States as the benign hegemon of East Asia.

One can see that through the promotion of liberal principles of multilateralism, free markets, democracy, sovereignty, human rights, its security umbrella in Europe and Asia, the United States was able to create a hegemonic system that was stable and

³⁴ *Ibid.*, p.130

served not only its own interests but those of other countries as well.³⁵ Economic openness plays into U.S. economic interests, particularly given U.S. competitiveness in the export of services, agriculture, and technology. It also plays into U.S. security interests since U.S. has held that liberalism and economic interdependence promote cooperative political relations.

2.3 Factors Contributing to the Changing Nature of American Hegemony in East Asia

From the foregoing discussion, the extent of the U.S. hegemony is expressed at least in the following two forms: its military capability and its leading position in economic development. But the events of 9/11 attacks brought into question the continuity of the U.S. hegemony. No one can deny that America still plays the role as the leader of the world. However this country is different from past global hegemony. That is to say, the nature of U.S. hegemony in the East or the West has been gradually changed. The United States can no longer solely rely on a reactive posture as it had in the past. There are six factors that have contributed to the changing nature of American hegemony in East Asia: the setback in Vietnam War, the end of the Cold War, the East Asian multilateralism, the American multilateralism, American soft power, and the rise of China. This section will examine the first five factors that influence the nature of American hegemony in East Asia. The last factor will be left to next chapter to explain.

2.3.1 Setback in Vietnam War

The Vietnam War, also called American War in Vietnam, occurred in 1959. The

35 James Robinson, "Hegemonic Legitimacy and the Limits of Discursive Power," paper presented at the annual meeting of the International Studies Association, Le Centre Sheraton Hotel, Montreal, Quebec, Canada, Mar 17, 2004

war was fought between the Democratic Republic of Vietnam (North Vietnam) and the United States-supported Republic of Vietnam (South Vietnam). Cambodia and Laos were drawn into the conflict. The Vietnam War concluded on April 30, 1975, with the fall of Saigon. The result of the war was defeat of the Southern and American forces, and unification of Vietnam under the communist government of the North.

During this war, the actions that fulfilled the policies of the United States changed often over the course of four presidents and about eighteen years. In 1953, Dwight D. Eisenhower coined the phrase “domino effect.” Simply put, the domino effect stated that if one Southeast Asian country fell to communism, then all of Southeast Asia would fall. And to that end, Eisenhower said, “...The possible consequences of the loss [of free countries in Southeast Asia] are just incalculable to the free world.”³⁶ As Eisenhower left the White House he advised Kennedy that he might have to send troops to Southeast Asia.³⁷ Only after the National Liberation Front, also known as the Viet Cong, began a guerilla war with South Vietnam did the United States begin to send personnel to Vietnam. The domino theory that nations across Southeast Asia would go communist proved was not fulfilled, but it apparently continued to affect Kennedy at that time.

The war basically remained a stalemate from the beginning. By this time, the American public has turned well against the war, with constant anti-war rallies and protests. When President Richard Nixon assumed office, he began a policy known as “Vietnamization” in response to the still-growing anti-war protests. The goal of Vietnamization was that the combat would be returned to South Vietnam troops and thereby to lessen domestic opposition to the war in the U.S. The U.S. began a gradual removal of troops from Vietnam. To cover this retreat, Nixon ordered an increase in

36 Dwight D. Eisenhower, Domino Theory Principle, *Public Papers of the Presidents Dwight D. Eisenhower*, 1954, pp. 381- 390

37 <http://www.historyplace.com/unitedstates/vietnam/index-1961.html>.

bombing, lessening the need for ground battles. The Paris Peace Accords, signed in 1973 by the governments of the two Vietnams and the United States, officially ended U.S. involvement in Vietnam, but it did not end the war. After the U.S. withdrew, the USSR and China stepped up their aid to North Vietnam again. South Vietnam's end came quickly with the next offensive, and by the middle of 1975 North Vietnam had become the only Vietnam.

In America the ending of the Vietnam War resulted in a growing movement toward American isolationism.³⁸ Public opinion believed that the conflicts like Vietnam were not worth losing American lives, and also denounced the violence, brutality, and wastefulness of war in general. Michael Lind tallies the costs of what he terms "America's most disastrous military conflict": the sacrifice of nearly sixty thousand American and two million Vietnamese lives and the strengthening of the Communist forces that American had pledged to weaken, along with a severe loss of prestige for the United States in Southeast. At home, too, the price was steep: civil unrest and a postwar period of defeatism and isolationism.³⁹ Moreover, the USSR in mid 1970s actively expanded its powers in Afghanistan and Angola. All these phenomena had raised the question that the United States could sustain its commitment to secure the regional order and the doubt that the U.S. would gradually retreat from the other countries of Southeast area. One can see that the setback of America in Vietnam War had really changed the nature of American hegemony in East Asia.

38 Isolationism is a foreign policy that combines a non-interventionist military policy and a political policy of economic nationalism (protectionism).

39 Michael Lind, *Vietnam the Necessary War: A Reinterpretation of America's Most Disastrous Military Conflict*, Free Press, 1999, p.1.

2.3.2 End of Cold War

The Cold War was the period of conflict, tension and competition between the United States and the Soviet Union and their respective allies from the mid-1940s to the early 1990s. It was an ideological struggle between Western, democratic, capitalist states and the Eastern bloc of communist, autocratic nations. Both sides attempted to win other countries (particularly in Asia and Africa) over in support of their respective ideologies. However, there never was a direct military engagement between the U.S. and the Soviet Union. Instead, there was a half-century of military build-up, and political battles for support around the world, including significant involvement of allied and satellite nations. Over the following decades, the Cold War spread outside Europe to every region of the world as the U.S. sought “containment” of the spreading of communism and forged numerous alliances to this end -- particularly in Western Europe, the Middle East and East Asia. The Cold War drew to a close in the late 1980s following the launching of Soviet leader Mikhail Gorbachev’s reform programs, perestroika and glasnost. The Soviet Union consequently yielded its power over Eastern Europe and was dissolved in 1991.

The collapse of the Soviet empire had been played out in the East Asia region but also opened up the rise of a new “wave” of democratic states and market openings, not only in the former Russian satellites, but also in East Asia, Latin America, and even Africa. During the Cold War, East Asia witnessed intense competition and conflict between the superpowers and among the states in the region, such as Korean War and Vietnam War. With the collapse of the Soviet empire, economics, politics, and culture would be more important than military power. As Francis Fukuyama proclaimed there was no longer any political or philosophical system that could

oppose liberal democratic capitalism.⁴⁰ Enemies and potential enemies tended to be seen as not absolutely evil. East Asian countries started to engage with old Cold War adversaries such as China and North Korea.

In the post-Cold War, there has been considerable integration of the economies in East Asia. And the international relations of East Asia have been changed and become complicated afterward. The regional security environment, for example, is more fluid and uncertain. Because the East Asian countries no longer have to rely on America in the old bipolar world, a fundamental consideration has changed the interrelationships between the major powers - the United States, China, Japan, Russia, and in the longer term India. For the sake of national interests, East Asian countries gradually modify their behavior to take a very cautious policy on security conflicts, and that was why the peace of East Asia existed for so long.⁴¹ At the same time some regional countries, and particularly middle powers like South Korea and the bigger ASEANs, will want a strong say in managing the strategic affairs of the region. It is apparent that the End of the Cold War has brought changes to the American hegemony in East Asia.

2.3.3 East Asian Multilateralism

Multilateralism involves the coordination of relations among three or more states by following a set of rules or principles. According to G. John Ikenberry, multilateralism can be distinguished from other types of interstate relations in three ways. First, it is a coordination of relations among a group of states. Second, the terms of a given relationship are defined by agreed-upon rules, principles, and by organizations. Third, multilateralism entails some reduction in policy autonomy.⁴²

40 Fukuyama, Francis, *The End of History and the Last Man*, (Free Press, 1992), p.1.

41 Tang Yongsheng and Guo Xinning, *Theory of Asian-Pacific Security*, *Pacific Journal*, 1999, Vol.4, pp. 82-83.

42 G. John Ikenberry, "Is American Multilateralism in Decline?" *Perspectives on Politics* (Cambridge University Press, September 2003), pp.533-550.

In East Asia, great powers had played an important role in developing relations within the region. The United States has an enormous impact on the region. During the Cold War, the bipolar order that dominated the world was reflected in East Asia. However as G. John Ikenberry says, the United States was less determined or successful in establishing a multilateral order in East Asia.” He argues that the building of order around bilateral pacts with Japan, Korea, and other states was a more desirable strategy because multilateralism would have entailed more restraints on policy autonomy.⁴³ This situation continued in the post-Cold War. But the post-Cold war period has been changed and characterized by the rise of new power centers within the region.

East Asian multilateralism has been a relatively recent development. It has been vital in the integration of regional cooperation. But in East Asia, issues of security and economic development are not exclusive; they influence each other either in the promotion of peace and prosperity. Thus there is a strong causal link between the emergence of East Asian multilateralism and the issues. As Donald Crone points out that an institutional basis is rapidly being developed, with the result that the prior predominance of bilateral negotiations is eroding. Collectively, these changes constitute a substantial reorganization of the Pacific political economy.⁴⁴ A major feature in East Asia today is that the creation of regional institutions, such as ASEAN, and APEC, is becoming more assertive and is at the center of a new regional economic and security structure.⁴⁵

The aims and purposes of the ASEAN are: (1) to accelerate economic growth, social progress and cultural development in the region and (2) to promote regional

43 *Ibid.*, pp.533-550.

44 Donald Crone, “DOES HEGEMONY MATTER? The Reorganization of the Pacific Political Economy,” *World Politics*, July, 1993, Vol.45, p.501.

45 Further detail of ASEAN and APEC, including their influence on the American dominated position in East Asia, will be discussed in chapter four: The Role of China in East Asia.

peace and stability through abiding respect for justice and the rule of law in the relationship among countries in the region and adherence to the principles of the United Nations Charter.⁴⁶ The Asia-Pacific Economic Cooperation (APEC) is an economic forum for a group of Pacific Rim countries to discuss matters on regional economy, cooperation, trade and investment.⁴⁷ However the response of these regional institutions seemed not exactly adequate. Yet, efforts to ensure regional coherence by way of ASEAN, APEC and ASEAN plus 3 in particular are already being made to ensure greater stability in the financial and other sector.⁴⁸ As Robert A. Scalapino argues “Despite certain serious problems, relations among and between Asia-Pacific nations at present are more positive than in earlier times.” “Three factors are centrally involved,” Scalapino adds, “the primacy of domestic issues, especially the economy; an absence of immediate threats; and the existence of multilateral structures ‘allowing dialogue’”⁴⁹. Francis Fukuyama makes his point of view:

“Washington will need to consider ways of linking this security dialogue to the various multilateral economic forums now in existence or under consideration, such as the Association of Southeast Asian Nations (ASEAN); the ASEAN-plus-three group, which was formed in the wake of the Asian economic crisis and includes China, Japan, and South Korea; and the developing free-trade areas.”⁵⁰

The United States has exerted a major influence on East Asia, especially since World War II. As both a promoter of neoliberal reform and as the strategic actor in the East Asian region, the impact of American power has been enormous. But both the Asian economic crisis and its aftermath, and the “war on terror,” have underlined the impact of U.S. foreign policy and intervention in the region. Though the multilateral

46 <http://www.aseansec.org/>

47 <http://www.apec.org/>

48 Stuart Harris, “Asian multilateral institutions and their response to the Asian economic crisis: the regional and global implications”, *The Pacific Review*, Vol. 13, Issue 3, August 2000, pp.495-516.

49 Robert A. Scalapino, “Trends in East Asian international relations”, *Journal of Strategic Studies*, Vol. 24, Issue 4, December 2001, pp.3-20.

50 Francis Fukuyama, “Re-Envisioning Asia”, *Foreign Affairs*, January/February 2005.

structures in East Asia are still incomplete, but have served useful purposes, it is foreseeable that relations among and between East Asian multilateral institutions members will be a critical element in the shaping of regional security and will directly influence the American hegemony in the region. As Mark Beeson points out that the U.S. foreign policy has impacted the region in the economic, political, and security spheres, and not only has it frequently not achieved its goals, but it may in fact be undermining both America's long-term hegemonic position in the region and any prospects for political liberalization.⁵¹

2.3.4 American Unilateralism

During the Cold War, the most important feature of the U.S. hegemonic strategy in East Asia is the cultivation of a set of special relationships with key states in the region. Bilateralism, rather than multilateralism, was the key to the U.S. approach. The United States had maintained its bilateral alliance structure and commitment to Japan and South Korea, nevertheless Japan and South Korea dealt not much with each other. The U.S. approach to the region might be thought of in terms of a "hub and spokes" arrangement: the U.S. had sought to craft a series of special relationships designed to assure key regional players that their relationship with Washington is both crucial and indispensable.⁵²

However the integrated trend in East Asia after the Cold War had led the U.S. to accept an inclusive multilateralism. During the 1990s, they have been more supportive and encouraging of multilateralism as a complement to core bilateral security relationships. For example, in a 1993 speech in South Korea, President

51 Mark Beeson, "U.S. hegemony and Southeast Asia", *Critical Asian Studies*, Vol. 36, Issue 3, September 2004 , pp.445-462.

52 Josef Joffe analyzes hub-and-spoke strategies for hegemonic powers in, "'Bismarck' or 'Britain'? Toward an American Grand Strategy after Bipolarity," *International Security*, Vol. 19, No. 4 , spring 1995, pp.94-117.

Clinton focused attention on the crucial role of bilateral alliances, and also called for the promotion of new multilateral dialogues in the region on the full range of common security challenges.⁵³ For the U.S., multilateral initiatives afford a useful way to engage the participation of various Asian states in regional security affairs, while not undermining its hegemonic position. But the American foreign policy sharpened after 9/11 attacks as the Bush administration turned to a more unilateralist approach to the world. In his national security strategy statement, Bush asserts that

“given the goals of rogue states and terrorists, the United States can no longer ‘solely rely on a reactive posture as we have in the past.’ The inability to deter a potential attacker, the immediacy of today’s threats, and the magnitude of potential harm that could be caused by our adversaries’ choice of weapons, do not permit that option. We cannot let our enemies strike first...To forestall or prevent such hostile acts by our adversaries, the United States will, if necessary, act preemptively.”⁵⁴

In his 2003 State of the Union address Bush applied his doctrine to justify the upcoming invasion of Iraq, despite the lack of a clear connection between Saddam Hussein’s regime and terror against the U.S. or the West.

But after the war in Iraq and the increasing estrangement of the U.S. from its allies, the Bush administration has again taken a multilateralist tone, seeking international support for operations in Iraq and opening six party talks on the North Korean nuclear issue.⁵⁵ In the same State of the Union address in which Bush called for war with Iraq whether or not sanctioned by the international community. In addition, he also called for multilateral talks on the North Korea problem stating “America is working with the countries in the region—South Korea, Japan, China,

53 Ralph Cossa, “U.S. Approaches to Multilateral Security and Economic Institutions in Asia,” *Pacific Forum CSIS* (unpublished, 2000).

54 George W. Bush, The National Security Strategy of the United States of America, <http://www.whitehouse.gov/nsc/nss.html>.

55 Denny Florg, “The Bush Administration, the North Korean Nuclear Crisis, and the Future of Multilateralism in Northeast Asia”, *Ritsumeikan Journal of Asia Pacific Studies*, Vol.16, Spring 2005.

and Russia—to find a peaceful solution.⁵⁶

The Bush administration has assumed multilateral approach to the Korean peninsula problem because the U.S. does not have the power to go it alone on too many issues. Whether the Bush administration remains its multilateral negotiations on the Korean issue or returns to unilateral way when facing difficulties in negotiations will shape the future of the Northeast Asian area. However there is one thing for sure that the nature of U.S. hegemony in East Asia has been changed—it cannot go alone any longer.

2.3.5 American Soft Power

Soft power is a term in contrast to hard power. Hard power in international relations lies at the command end of the spectrum of behaviors and describes a nation's ability to coerce or induce another nation to perform a course of action. This can be done through military threat or persuasion with the aims of coercion, deterrence and protection. A brief definition of “soft power” is provided by Joseph S. Nye Jr. in 1990, “Soft power is the ability to get what you want through attraction rather than coercion or payments. It arises from the attractiveness of a country's culture, political ideals, and policies. When our policies are seen as legitimate in the eyes of others, our soft power is enhanced.”⁵⁷ He makes further explanation that soft power grows out of both U.S. culture and U.S. policies. From Hollywood to higher education, civil society does far more to present the United States to other peoples than the government does. Hollywood often portrays consumerism, sex and violence, but it also promotes values of individualism, upward mobility and freedom (including

56 George W. Bush, The National Security Strategy of the United States of America, <http://www.whitehouse.gov/nsc/nss.html>.

57 Joseph S. Nye Jr., “Soft Power,” *Foreign Policy*, Vol. 80, Autumn 1990, pp.153-171.

for women).⁵⁸

One can see that soft power refers to the global appeal of lifestyles, culture, and forms of distraction, norms, and values. The U.S. uses its soft power, its pop culture--everything from Rock and Roll songs and Mickey Mouse to Big Macs and Coca Cola to increase its global influence of its foreign policy. These cultural icons, logos and brands are, says Matthew Fraser, “weapons of mass distraction.”⁵⁹ Mao Zedong once had warned that American pop cultural products were “candy-coated bullets.”

In Fiji, for instance, where female beauty was traditionally linked to one’s plumpness, teenage girls watching American soap operas began to believe thin was in, and suddenly bulimia and low self-esteem were major problems. In 2002, in the Middle East, the White House established an Arabic radio station that pumps into Britney Jean Spears⁶⁰ in an effort to show Middle Eastern kids American values are fine and with the hopes of winning over Muslim youths with American pop songs. On an official visit to North Korea on October 25, 2000, U.S. Secretary of State Madeleine Albright was intrigued to discover that even this Stalinist dictatorship was not impervious to the appeal of American pop culture. It’s more like American culture steamrolling other cultures—a military action without tanks but with movies, television, music, and fast food.

In a world of global trade flows, this is to be expected. America has a huge English-speaking internal market, and has therefore always enjoyed an advantage in the production of cultural goods. A movie produced for an American audience can

58 Joseph S. Nye Jr., “Propaganda Isn’t the Way: Soft Power,” *The International Herald Tribune*, January 10, 2003.

59 Matthew Fraser, *Weapons of Mass Distraction: Soft Power and American Empire* (Baker and Taylor Books, March 1, 2005), p.1.

60 Britney Jean Spears is an American pop singer, dancer, songwriter, actress, and author. The Recording Industry Association of America (RIAA) ranks her as the eighth best-selling female artist in American music history, having sold 31 million albums in the U.S. Spears’s fame in the music industry has led her to experiment with other forms of media, including film and television.

recoup its costs in national theatre chains, and can go on to earn its profits in global release. It is hard for Canadian, British, and Australian movies to do the same thing in their much smaller domestic markets, and even tougher for foreign language films that do not have the benefit of selling to a global audience that speaks the same language.

Coca-Cola Co., another example, in its annual financial report said that its sales in China market has surged 22 percent in 2005 from a year earlier. The operation of several new plants in China accounted mainly for Coca-Cola's surging sales in China last year. In addition, the market for non-carbonated soft drinks also expanded fast in China last year, with Coca-Cola's sales in the sector up 64 percent. The global profit of Coca-Cola in 2005 amounted to 4.87 billion U.S. dollars, compared with 4.85 billion dollars in 2004. But its sales value increased 6 percent to 23.1 billion dollars in 2005.⁶¹

One can see that the American film, television, and music industries have enjoy a global presence that has made them vital to the U.S. government. By examining the use of American soft power one can also conclude to see the U.S. as a "benign hegemony," not a ruthless imperialist, and the case that pop culture has successfully become a "key strategic resource" in the American-led fight against totalitarianism and terrorism.

61 People's Daily Online, February 10, 2006, http://english.people.com.cn/200602/10/eng20060210_241647.html.