

**Globalization and the Problem of  
American Hegemony**

Richard Barron Parker

*Shudo Hogaku (Shudo Law Review)*

Vol. 24 No. 2 (February 2002)

The Law Association of Hiroshima Shudo University

# Globalization and the Problem of American Hegemony\*

Richard Barron Parker\*\*

## Part I: The Nature of Globalization

Globalization can be defined as the spread of scientific inquiry, democracy, and the free market. These three processes can be seen as useful methods for organizing vast amounts of information. They differ only in the sort of information they process. Scientific inquiry handles information about the physical world which fosters the development of new technologies that contribute to economic and military advantage. Democracy handles information about the interests of various groups in society, confers legitimacy on governments, and enables a society to make the necessary hard choices between competing domestic or foreign policies without endangering social stability. The free market handles economic information and determines what goods and services are needed at what prices.

These processes are so superior to the alternatives for dealing with the same sort of information that any society which uses these three processes has an overwhelming competitive advantage over one which does not, just as the early widespread use of steam power by the British in the early nineteenth century gave the British a competitive advantage over other nations. Societies that do not make extensive use of all three processes of globalization will not be able to process enough information fast enough to keep up with societies that do. The generally perceived superiority of the

---

\* ©Richard Barron Parker 2001. This essay first appeared as an op-ed column in The Japan Times on December 24, 1999. Longer versions were presented to a faculty seminar at Doshisha University in Kyoto in the fall of 2000, and at the Law and Society Association meeting in Budapest in July, 2001. I am particularly indebted to Taylor Dark, Haruo Iguchi, Takako Kishima, Dan Rosen, and Yutaka Sumitomo for written comments on those earlier versions.

\*\* Haverford College, AB (1962); Brown University, MA (Philosophy, 1963); University of Chicago, PhD (Philosophy, 1968); Harvard Law School, JD (1971); Professor of Law, Hiroshima Shudo University, since 1990.

three processes is why they are spreading so rapidly, hence globalization.

The processes produce superior results because they share three characteristics that make them superior methods for processing information.

First, there is more widespread participation in these processes than in more bureaucratic or authoritarian alternatives. More information is taken in. Scientific inquiry, democracy, and the free market allow a wider range of people to offer a scientific theory, political leadership, or a good or service.

Second, the three processes give a wide circulation to the various scientific theories, political leaders, and goods and services that are offered, and force them to compete against one another.

Third, there is a decentralized yet clear decision procedure for determining which theories, political leaders, or goods or services survive and which are rejected. The consensus of opinion in a worldwide scientific community rejects or accepts a scientific theory. The electorate, or their representatives in government, accept or reject various leaders and their domestic and foreign policies. The marketplace accepts or rejects the provision of a particular good or service at a particular price.

These three characteristics can help define what we mean by democracy, the free market, and scientific inquiry. For example, some set of political practices is by definition more democratic than another if it encourages the intake and circulation of more information about policies and leaders, encourages more competition between policies and leaders, and encourages a more decentralized choice between policies and leaders.

In the case of the free market, laws and regulations that limit participation in the market, foster public or private monopolies, prevent competition, or thwart consumer choice are by definition examples of a failure to use fully the market process. Laws and regulations that make markets more open

and transparent and increase participation, competition, and decentralized choice are by definition laws and regulations that foster free markets.

Rules and customs that encourage participation in the exchange of scientific theories, increase circulation and competition among scientific theories, and allow decentralized decision-making concerning their value define the process of scientific inquiry.

The results of each of the three processes are unpredictable and cannot be controlled by any single group or person. One never knows in advance what goods or services will be provided by the free market, or what political leaders or domestic or foreign policies will be chosen by a democratic society, or what new knowledge and consequent technology will be discovered in the course of scientific inquiry.

Societies that trust in the processes will make more use of them and thus will have a competitive advantage over societies that do not.

In the case of democracy, trust in the process means that the commitment to the democratic process outweighs any commitment to any particular policy, political leader, or political party. Individuals may work hard to advance a policy, leader or party, but those committed to democracy do not subvert the democratic process to achieve a desired substantive result. Using private violence or governmental power to intimidate voters or suppress speech are examples of a lack of trust in the democratic process and a failure to use it fully.

Trust in the market means that the commitment to market freedom outweighs any commitment to the success or failure of any given service or product in the marketplace.

In the case of scientific inquiry, examples of a lack of trust are limitations on scientific research or on the use of the technologies to which scientific knowledge gives rise. A society which does not have the confidence in sci-



ence to solve the problems science creates will not be able to use fully the process of scientific inquiry.

In general, private or governmental actions that constrict the collection and circulation of information, prevent opposing views from competing, or limit decentralized decision-making show a lack of trust in the three processes.

The three processes reinforce one another. It is difficult for a society to embrace fully one process while refusing to countenance the others. Attempts by authoritarian countries to embrace the free market or scientific inquiry while refusing democracy are likely to fail. The three processes require a commitment to the free flow of information and decentralized decision making that authoritarian governments have usually lacked. The commitment to accepting the unplanned results of the three processes is especially difficult for authoritarian governments.

On this view, China will not be able to reject democracy and still make full use of the free market and scientific inquiry. Either China will become democratic and thus not present a serious danger to the nations around it, or its failure to become democratic will lead to China's failure as an economic and military competitor. In either case, China will be less of a threat than is often feared.

My theory implies a certain historical inevitability. Looking back, Japan and Germany and the Soviet Union failed in the hot and cold wars of the twentieth century because of their failure to employ the three processes. It was an absence of democracy that resulted in the disastrous decisions of Japan to attack the United States, and Hitler to attack the Soviet Union. Without democracy, it was difficult for Germany and Japan to sustain scientific inquiry at the intensive levels necessary to compete with the United States and its allies during World War II. The explicit rejection by the Soviet Union of free markets and democracy rendered it hopelessly uncompetitive over the long run of the Cold War.

Looking ahead, a major challenge to the United States may be coming from Muslim extremists in the form of acts of megaterrorism that may kill hundreds of thousands of Americans at once. As I write, the United States and the United Kingdom have started bombing Afghanistan in retaliation for the attack on the World Trade Center in New York City on September 11, 2001.

If my theory is correct, these terrorists cannot win in the long run just because they, and the nations which may support them, make so little use of the three processes.

I do not minimize the damage that may be done by the terrorists in the short run using technology borrowed from the United States. The chances are good that biological weapons, or a nuclear device, will be used in the next few years in the United States against Americans. Hundreds of thousands of people, perhaps millions of people, will die in single acts of megaterrorism.

If my theory is correct, the United States will prevail against such opponents in the long run, unless the terrorists manage to divert the United States from the full use of the three processes of democracy, the free market, and scientific inquiry.

## Part II: Globalization Is Not Americanization

If globalization is the spread of the three processes of democracy, free markets, and scientific inquiry, then globalization is not Americanization, no more than the spread of the use of steam power in the early nineteenth century was Britification. It may seem that way at present because the United States currently makes the most use of the three processes and thus enjoys a competitive advantage over societies that use them less, but the three processes themselves are forms of social organization available to any society. None of them originated in the United States.



Much of the objection to American hegemony is in fact objection to the three processes. Resistance to the three processes is expressed as resistance to the nation — the United States — that enjoys hegemony because of its more extensive use of the three processes.

The comparatively rootless and consensual character of human relations in America allows greater use of the processes of democracy, the free market, and scientific inquiry. Americans are very good at coming together to create temporary communities among people with no prior relation to one another for a given temporary project. The only criteria for membership in the project, whether that project is to make money in a business, to advance some political goal, or to achieve some national goal such as sending a man to the moon or winning a war, is whether someone can contribute to the success of the task at hand.

In other countries, social roles, class lines, traditions, seniority, and the comparatively pre-determined character of individual social relationships slow down the combination and recombination of individuals and groups that characterize the operation of the three processes. Japanese and British, and most other peoples, enter into cooperative arrangements within a larger social context. Before they cooperate, they want to know where people went to school, how old they are, who their parents are, and their status in the social world they share together. They are much slower to commit but much more likely to be loyal once relations are established. This concern with the long term social consequences of cooperation inhibits democracy, the free market, and scientific inquiry.

In the United States, no single person, or group, or social class, is in charge. There is no semi-permanent hierarchy or establishment that can be relied upon. There is only the political system, an open civil society, and the shifting fortunes of individuals.

### Part III: The Costs of Globalization

Extensive use of these processes creates a society with more physical risk, more economic risk, and more emotional risk. The slower, less nimble, more attached, more humane person, and the more traditional elements of society are often crushed. As severe as these social costs are in the United States, they are worse elsewhere.

Americans tend to think of globalization as primarily economic, the development of a global free market for capital and labor. For Americans, the problems that individuals and societies have adjusting to these economic changes constitute the problems of globalization. Because Americans are at the cutting edge of scientific inquiry and democracy, they do not feel the competitive pressures that the rest of the world feels.

For the rest of the world, especially the developing world, the major pressure of globalization is the increasingly rapid pace of scientific inquiry and the introduction of new technology.

After the Industrial Revolution in England, Europe, and the United States, it took 150 years for the rest of the world to catch up. Colonialism was made possible by the gap in technology between nations that had undergone the Industrial Revolution and nations that had not.

Until recently, there had been a slow convergence of the advanced and developing nations in the use of technology. Now once again, just as in the early nineteenth century, the developing nations face the specter of falling far behind. Information technology, the human genome project, nanotechnology, and advanced military systems all promise more and more divergence between advanced and less advanced nations. Citizens of the nations making full use of the process of scientific inquiry, compared with those that do not, will live twice as long, be relatively even more rich than they are now, and have access to exponentially more knowledge and information. The governments of the nations making full use of the pro-



cess of scientific inquiry will be even more powerful in military terms than they are today. New systems of domination are inevitable.

We all now take for granted that the developing nations cannot themselves innovate in new areas of scientific inquiry. They can only import secondhand technology. It is becoming increasingly clear that some developing nations are falling so far behind that they cannot even make use of secondhand technologies.

Democracy is the only political system that can produce governments with sufficient knowledge and authority to have a chance of dealing effectively with adjustments required by the gap in scientific inquiry. Democracy is increasingly seen even by non-democratic elites as necessary to the legitimacy and authority of governments. Even authoritarian governments feel the need to conduct elections they would much rather forbid.

The consequences are hard for these non-democratic elites to swallow. The problem is not that elites are not necessary in democracies. They are. The problem for more traditional elites is that the more democracy there is, the more rapid the turnover in the membership of elites. This is true even in the United States.

By the 1950s in the United States, the Depression and World War II had given rise to new elites that displaced those descended from the families that made fortunes in America's industrialization. The new elites in the 1950s were the heads of large manufacturing companies and the leaders of the unions representing the workers that these large companies employed. Lawyers such as John Foster Dulles from the large law firms that advised these companies occupied the top government positions manned in other countries by elite civil servants. Fifty years later, this post-war elite is being replaced by enormously wealthy information technology entrepreneurs such as Bill Gates, media magnates such as Rupert Murdoch and Steven Spielberg, and by academic experts such as Condoleezza Rice, the

current National Security Advisor, who are increasingly occupying the top government positions themselves rather than just acting as expert advisors.

The pace of change is accelerating. The new entrepreneurial/academic elite of the 1990s will be replaced in less than forty years. By whom, we do not know. The choice will be made by the open-ended uncontrollable processes of scientific inquiry, democracy, and the free market. It is likely that Bill Gates' children will be nothing more than very wealthy. They will not wield power and influence.

The idea of a great family has always been thin in America when compared with Asia or Europe. In the twentieth century, leading American families — the Rockefellers, the Roosevelts, the Kennedys — were able to stay at the top for no more than three generations before falling back into the great upper-middle class pool out of which new elites emerge.

In the future, the great and powerful will usually not be able to pass power to their sons, much less their grandsons. Even metaphorical heirs, when a powerful office holder or leader chooses his successor, will become much less common. This is upsetting enough in America. In most other human societies, it represents a revolution in how authority of all kinds is acquired and used. More democracy, in conjunction with greater use of the other two processes, requires such a revolution.

#### Part IV: The Case of Japan

Even advanced societies are having difficulty using the three processes and may be losing their competitive advantage as a result. To make full use of any of the three processes, a society's members, especially the governing elites, must believe that their own intelligence and imagination is inferior to the decentralized decision-making of the processes of scientific inquiry, democracy, and the free market. This requires them to give up the idea that all significant progress is planned in advance. They need to step aside and let the three processes work. It is emotionally difficult for mem-



bers of a governing elite to accept a more limited role as mere protectors of the free flow of information, open competition, and decentralized decision-making, even when they realize intellectually that a modern large country cannot be governed without extensive use of the three processes.

Japan has embraced the three processes much more than most nations in the world. Even so, Japan lags behind the United States in the use of the processes. In Japan, the government takes responsibility for the price of the stock market and the price of land. It plans and oversees the staffing and curriculums of all universities, public and private. It assumes that all significant social progress must be planned in advance. This assumption of responsibility requires a government supervision that chokes the operation of the three processes.

Consider one of many possible examples. The Ministry of Education and Science in Japan is considering a plan to introduce American-style professional legal education to Japan. The Japanese do not want a society as legalized as American society, but there is a general recognition that Japan does not have enough lawyers. Given the German origin of the basic civil and criminal law codes in Japan, Germany's number of lawyers per capita is the announced goal. Even this modest goal requires a major expansion of professional legal education.

Questions naturally arise — how many of these new professional law schools should there be in Japan and what should be taught? The best answers would be found if the Ministry of Education and Science stepped aside and allowed any reputable Japanese university to open a law school of any size teaching any curriculum. Some schools would succeed and some would fail. The market would sort them out.

Unfortunately, in Japan, the numbers of schools or university departments of any sort, their curriculums, even the numbers of students that any private school or university department can enroll, are decisions for the Ministry of Education and Science. As a result, Japan's new system of

legal education will almost certainly not be what Japan needs. No planning agency can possibly process the huge amount of information necessary to design a system of legal education for a nation the size of Japan. No one can know in advance how many lawyers or what sort of legal education Japan needs. The free market takes account of more information than any single planner, or group of planners, or government agency can possibly handle and, if allowed to function, would give a better answer than the Ministry of Education and Science to the question of how many new law schools of what type there should be in Japan.

The problem is not just overreaching bureaucrats. The government reflects the attitudes of the average risk-averse Japanese citizen. Japan is a society unwilling to allow freer rein to the three processes because the Japanese are frightened, as are many people around the world, by the open-ended, unplanned, uncontrolled nature of the three processes.

Many of these fears are well-founded. As mentioned above, extensive use of the three processes creates a society with more physical risk, more economic risk, and more emotional risk. The slower, less nimble, more attached, more humane person is often crushed. It may be possible to avoid or cushion some of the personal risks. Some small rich nations such as Norway or Switzerland are so far along in their use of the processes and so wealthy that they have considerable freedom in designing more humane forms of the three processes. They can afford to cushion some of the risks.

Japan is one of the few large nations other than the United States with the freedom to try such experiments. Japan's enormous economy, its accumulated wealth, and its military alliance with the United States all allow Japan to devote itself to developing more humane forms of the three processes, perhaps becoming a humanitarian superpower. Japan, with its risk-averse population and egalitarian ethic, combined with its history of being able to make major social changes when necessary, can be looked to for some interesting experiments along these lines.



### Part V: The End of American Hegemony

If the above description of globalization and the advantage given to the United States by extensive use of the three processes is anywhere close to the truth, then there is only one possible solution to American hegemony. Other nations, or combinations of nations, must make more extensive use of the three processes than does the United States.

Is this so difficult? Many countries are more democratic than the United States. Several have freer markets. Many of the best European and Asian scientists participate in the worldwide network of laboratories that constitutes the world of scientific inquiry.

The problem is that no country the size of the United States makes such extensive use of the three processes. The countries that are better than the United States at one or more of the three processes are too small to provide serious competition.

The only countries in the world larger than the United States are China and India. Their markets are still clogged and obstructed. China may take decades to catch up in the process of democracy. It will take generations for either country to educate their enormous populations enough to make fuller use of the three processes. Until then, their huge populations are liabilities rather than assets.

The area most likely to challenge the United States is a united Europe. Yet although individual European countries may use one or more of the three processes more than the United States, a united Europe still suffers from a serious democratic and free market deficit. Even in the area of scientific inquiry, a united Europe is not clearly ahead of the United States.

An additional reason to think that American hegemony will remain unchallenged is that America hegemony is fairly soft and is seen as beneficial by hundreds of millions of non-Americans. America has not expanded ter-

ritorially since it bought part of the Virgin Islands from Denmark in 1917. It provides ultimate security to many nations against attack from closer and more feared enemies. Japan's freedom from severe security concerns and thus its freedom to experiment with more humane forms of the three processes depends on continued recognition of United States hegemony.

American culture outside of the areas of the three processes is not very strong. Few people outside the United States genuinely fear the effects of American movies or Macdonald's hamburgers. It is the results of American use of the three processes that is feared abroad, not American cuisine or popular culture. Imagine if a nation with a really strong culture — France or China or Saudi Arabia — were the world hegemon. People would genuinely fear cultural imperialism and would find such hegemony unbearable. Instead the very weakness of American culture makes American hegemony more palatable. Non-Americans are usually justified in feeling themselves to be the heirs of more sophisticated cultural traditions. This sense of superiority makes American hegemony easier to bear and less likely to be seriously opposed.

Unless the United States abandons or seriously limits its use of the three processes, it is difficult to imagine a serious challenger to American hegemony emerging in the next fifty years.