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THE STRATEGY OF REGIONALISM:
Perceptions Surrounding U.S. Hegemony in the Era of Globalization

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ABSTRACT

This thesis examines the perceptions of American policy-makers of U.S. hegemony. In particular, it looks at the effects of globalization on that hegemony and the role that regionalism in the Western hemisphere is expected to play in the future of that hegemony. The thesis first examines the theoretical links in the literature between globalization, American hegemony, and regionalism in the Western hemisphere. Once done, this thesis turns to understanding the perceptions of American policy-makers with respect to the perception of a threat to continuing U.S. hegemony. Finally, this thesis exposes the perceptions of American policy-makers as to the nature and role of regionalism as a response to the perceived threat to U.S. hegemony. From this work, we can conclude that the U.S. is potentially employing regionalism as a strategy to offset the perceived threat to its continuing hegemony. This perceived threat can be traced to globalization and its effect on the ability of the U.S. to maintain a preponderant level of control over the factors of hegemony.
LIST OF ACRONYMS AND ABBREVIATIONS

ATPA - Andean Trade Preference Agreement

CBI - Caribbean Basin Initiative

CUFTA - Canada-U.S. Free Trade Agreement

EAI - Enterprise for the Americas Initiative

EU - European Union

FTAA - Free Trade Area of the Americas

NAFTA - North American Free Trade Agreement

OAS - Organization of American States

OPEC - Organization of Petroleum Exporting Countries

UN - United Nations
INTRODUCTION

The international system has witnessed many changes leading to the 21st century; many different leaders and states; many different ideologies and systems of government. During the 20th century, the world has seen the rise, for some the decline, of one global superpower, the United States. The world has also seen the rise of regionalism during this time. The debate over U.S. hegemony, the growing prevalence of regionalism in the Western hemisphere, and the relationship between them are what motivated the examination presented in this thesis. In the devastation of the post-World War II system, the U.S. emerged in a position of strength and dominance on the international stage. The U.S. would share this position of preeminence with the Union of Soviet Socialist Republics (U.S.S.R.) in the global security structure of the Cold War. However, in terms of economic wealth, capacity, and productivity, the U.S. remained largely unrivalled throughout the Cold War. The 1970s and 1980s brought significant changes to the structure of international politics, however. Economic globalization began to transform the international system so that the conditions of the international structure which supported American hegemony in the past were subject to change. As the structure of the international system began to change, American leaders needed to find new ways of maintaining U.S. hegemony in concert with that changing structure. With the 1980s drawing to a close and the Cold War clearly reaching its end, American hegemony was faced with new challenges resulting from globalization and the new world order just beginning to form.

Changes in the structure of international politics as a result of economic globalization have had an effect on more than just American hegemony, however. The new international political
environment has inspired a renewal of regionalism in the Western hemisphere and around the world. In the Western hemisphere, the 1980s saw a rebirth of regionalism that would meet with more success than any previous attempts.¹ In particular, this new wave of regionalism saw the U.S. taking a new leadership role in the Inter-American system. Regionalism in the Western hemisphere soon began to flourish; eventually leading to negotiations for an hemispheric free trade agreement.

This thesis advances the following hypothesis: as globalization leads to a loss of control over the factors of hegemony², American leaders and policy-makers perceive continuing U.S. hegemony to be threatened, and therefore, U.S. policy-makers perceive regionalism as a strategy intended to regain control over the factors of hegemony and offset the perceived threat to U.S. hegemony. Globalization is changing the structure of the system of international politics so that the conditions surrounding hegemony are changing as well. These changes have prompted the perception of a decline of U.S. hegemony. In order to preserve and maintain U.S. hegemony, American leaders have had to find new ways to create conditions where the maintenance of hegemony is feasible in the new international environment. Regionalism is one of the ways in which the creation of these conditions is being pursued.

In the first chapter of this thesis, we will explore the theoretical links between


²The factors of hegemony can be found in our definition of hegemony which will be presented and discussed in chapter 1.
globalization, hegemony, and regionalism in the context of the hypothesis advanced here. In our discussion of globalization, we will bring out three elements that particularly affect this thesis; the internationalization of production, the internationalization of markets, and regionalization. We highlight the importance of these elements and their effect on the international system by looking at some of the changes they have inspired, for example: a heightened level of competition, a diminishing level of national policy effectiveness, and a heightened interdependence between international actors. In our discussion of hegemony, we will first lay out our definition of hegemony as it pertains to this thesis. As well, we will explore more particularly the perception of a threat to continuing U.S. hegemony by examining the links between hegemony and the points raised in our discussion of globalization. Also, this chapter will explore regionalism as one of the policies perceived to respond to the effects of globalization on U.S. hegemony. That is to say that, our discussion will show us the perception that regionalism can provide the U.S. with the means to compensate for some of the negative effects of globalization on American hegemony. In discussing these themes, the first chapter provides a theoretical overview of the concepts central to our hypothesis.

Having focused our first chapter on the theoretical basis of our hypothesis, the second chapter builds on the points of that discussion by exploring the empirical link between globalization and U.S. hegemony. Our work will focus on exposing the perceptions of American leaders and policy-makers on the state of American hegemony in the era of globalization. We will organize our discussion in terms of the factors of hegemony. Examining the statements of American policy-makers will enable us to demonstrate the link between the apparent loss of control over the factors of hegemony inspired by globalization and the threat perceived to
continuing U.S. hegemony. Establishing this perception of a threat will lead us into our
discussion of regionalism as a policy response perceived to counter said threat.

In the third chapter of this thesis, we will again be examining the perceptions of American
policy-makers, this time focusing on the regional initiatives of the Western hemisphere. More
specifically, we will be concerning ourselves with those regional initiatives that include the U.S.
We will examine statements made concerning the Caribbean Basin Initiative (CBI), the Andean
Trade Preference Act (ATPA), the Canada-U.S. Free Trade Agreement (CUFTA), the North
American Free Trade Agreement (NAFTA), the Enterprise for the Americas Initiative (EAI), and
the negotiation of a Free Trade Area of the Americas (FTAA). We expect that this examination
will demonstrate a link between the perceived threat to American hegemony and the pursuit of
regionalism in the Western hemisphere. Regionalism appears to be seen as a means for resecuring
U.S. control over the factors of hegemony. In this respect, we can say that the U.S. is pursuing
regionalism in order to offset the perceived threat to its hegemony.

Methodologically, this thesis begins with an exposition of the theoretical foundation for
our hypothesis. Based on the points raised in this discussion, we will then examine the
perceptions surrounding hegemony and regionalism in the era of globalization by examining the
statements of American leaders and policy-makers. The sources for these perceptions include
excerpts from the U.S. Congressional Record, the White House, the Department of State, the
Bush Presidential Library, as well as other public papers. As we can clearly not examine every
statement made by a political leader on this subject, we will limit ourselves to statements from the
executive and legislative branches of American government dating from the first Reagan
Administration to the present Clinton Administration. This time frame was chosen since it is
during this time that American hegemony was seen to be challenged by globalization and also
during this period that regional initiatives involving the U.S. returned to the Western hemisphere.
As well, these speakers have been chosen not only because of the time frame in which their
statements were released but also because they represent some of the most powerful policy-
making institutions in American government.

In addition to specifying the sources used, it is important to mention here how the
passages found in Chapters Two and Three were selected. Using the Internet as my primary
research tool in the empirical section of this thesis, I used key words and phrases found
throughout our theoretical examination (including globalization, regionalism and regionalization,
economics, military, information technologies, leadership) as my search criterion on the various
Websites consulted. These searches yielded a large array of speeches, press releases, and the like.
After extensive reading through the results of my searches, I chose the excerpts that best
represented the sense of the statements and speeches collected. That is to say that the passages
included in this thesis were chosen because they expressed the sentiments found in the large
majority of texts identified by my research.

There were, of course, documents that expressed sentiments contrary to what can be
found here, but these were in the minority. While most American policy makers accepted that
globalization had had a negative impact on continued US hegemony, some did not accept that
moves to regionalism would offer a solution to this problem. On the whole, though, these
perceptions were very much in the minority (they represented perhaps 10-15% of the total number
of statements and speeches collected), and not an accurate expression of the perceptions of the
majority of policy-makers and leaders in American government. Through this examination, we
will demonstrate not only that the future of U.S. hegemony is perceived by American policy-makers to be threatened but also that regionalism is one of the strategies perceived to compensate for that threat.\footnote{The statements and speeches from the executive branch of the US government expressed the fairly homogeneous viewpoint that regionalism would restore US hegemony. Given the highly political nature of US Congressional statements, distilling the essence of the Congressional Record posed somewhat greater challenges. Several factors were taken into consideration in selecting statements and speeches in order to reduce bias as much as possible. First, political affiliation was taken into consideration (particularly with respect to the party affiliation of the President). Second, the target audience was identified; was the speech intended to respond to the narrow interests of one constituency, or of one industry, or was it a more general statement? With these "filters" taken into consideration, passages were selected with an eye to representing an accurate picture of the opinions found in the majority of texts explored. All efforts were made to select passages which were submitted to the Record as a part of a Congressional Committee Report or in concert with the work of a Congressional Committee, as these were deemed to represent a more general perception than that of an individual congressman or senator.}
GLOBALIZATION, HEGEMONY, AND REGIONALISM: MAKING THE LINK

Introduction

As we approach the 21st century, it is clear that the structure of the international system has been transformed. The Cold War, which had dictated the bipolar structure of international politics since the end of the second World War, came to an end and, by the beginning of the 1990s, the world was witnessing the birth of a new international order. Of particular interest to this thesis is the status of American hegemony and its future in this new world order as perceived by American leaders and policy-makers. Indeed, questions about hegemony were surfacing even during the 1970s. The enormous body of literature on the subject can lay claim to the great interest that this topic has held for the academic community; particularly since it became clear that the U.S. was not handling the role of world leader as easily as was once believed. Arrighi and Rapkin point out that trials such as the Vietnam war and the OPEC oil crisis tested the American resolve to maintain its hegemony during the 1970s and also raised doubts in the international community as to the future of that hegemony.4 Also, Gill shows us that these questions and doubts spilled over into the 1980s; when the debate over U.S. hegemony saw renewed fervor. More specifically, as the Reagan years were drawing to a close and the Cold War was fast approaching its end, the debate over the future of American hegemony became heated once more.

in the light of the enormous changes taking place on the world scene.\textsuperscript{5} With the end of the Cold War and the deepening of globalization, American hegemony entered a new phase in its history.

Equally, over the past years and decades, regionalism has been developing steadily in the Western hemisphere and around the world. Bhalla and Bhalla point out that South America has seen many new regional agreements develop. Though primarily concerned with improving the economic welfare of their member countries, these regional agreements have paved the way for the possibility of even deeper integration in the future. North America has also been embarking on the path of regionalism. The U.S. and Canada negotiated a free trade agreement, which would come to include Mexico a few years later, to create a North American trading bloc.\textsuperscript{6} The history of regional political initiatives in the Western hemisphere is long and varied but recent years have witnessed a resurgence that is very much a part of this thesis. More particularly, as globalization was deepening and as U.S. hegemony was being more and more hotly debated, the U.S. chose to pursue regional initiatives in the Western hemisphere with greater determination than at any other time in their history. The connection between the perception of a threat to U.S. hegemony and the perception of regionalism as a means of maintaining American hegemony is an important relationship to understand for this thesis.

Bringing these issues together, we now turn to our hypothesis: \textit{as globalization leads to a loss of control over the factors of hegemony, American leaders and policy-makers perceive continuing U.S. hegemony to be threatened, and therefore, U.S. policy-makers perceive}


\textsuperscript{6}Bhalla, and Bhalla, \textit{Regional Blocs}..., pp. 7-11.


regionalism as a strategy intended to regain control over the factors of hegemony and offset the perceived threat to U.S. hegemony. Our task in this chapter is to explore this hypothesis by examining the way in which globalization might have an impact on American hegemony as well as the connection between U.S. hegemony and regionalism in the Western hemisphere. Let us begin by taking a closer look at globalization.

Globalization

There are many different concepts that fall under the rubric of globalization. In order to remain focused on our task, we will target our efforts on three particular aspects of globalization. Though globalization encompasses many different ideas, the internationalization of production, the internationalization of markets, and regionalization make up the aspects of globalization that are most important to understanding the link between globalization and U.S. hegemony as laid out in the hypothesis for this thesis. Let’s look at each of these concepts separately.

a) the internationalization of production

The internationalization of production, has changed international relations substantially. It has made production into an international undertaking. The internationalization of production encourages the creation of an environment where companies can more easily become

multinational; using resources from many different places to produce goods at the lowest possible cost. This internationalization of production has also taken economics beyond the boundaries of the state and its control. The more internationalized production grows, the more the state is limited in its policy choices. That is to say that, the state’s role in economic decision-making, as pointed out by Turrenne Sjolander, has been reduced to the creation of policies that broaden national markets and encourage integration into larger markets in order to deal with the exigencies of the internationalization of production. Because of this, as we see in the works of Emmerij, Sideri, and Turrenne Sjolander, national policies are rendered more and more limited since it is the actors responsible for international production that are playing the major role in global economic decision-making. For example, multinational and transnational corporations have grown to become major actors on the international stage. As they have grown, they have come to command a great many resources. These multinationals have made it possible, for instance, for the parts that make up one whole automobile to come from many different parts of the world. This piece-meal production process functions outside of any one state’s influence. In this way, the state’s position in international economic decision-making has been marginalized.

This “control gap” brings into question the overall effectiveness of the state in international

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10 This is a term used to describe the growing gap between the demands of the global economy (continued...)
politics.

b) the internationalization of markets

The internationalization of markets is a concept very much related to the internationalization of production. The ability of a state to govern economically has been challenged by globalization. This particularly includes the ability of a state to govern over financial markets. As the barriers to international trade and business have become more permeable, the state has begun to lose its ability to effectively regulate markets. Essentially, according to Cerny, aided by the internationalization of production and technology, states have helped in the undermining of their own governing powers by embracing economic liberalization in order to increase their competitiveness in the global economy. As policies of economic liberalization have taken hold around the world, markets have become globalized. As such, the economic structure of the international system has developed beyond the traditional regulatory power of any one state and is now presided over by international actors such as multinationals. It is clear that the internationalization of production and the internationalization of markets have had a profound impact on the state. We need to look at regionalization next before we can turn

\(^{10}\)(...continued)


to exposing the link between globalization and American hegemony.

c) regionalization

Regionalization is the third aspect of globalization that is central to this thesis. Primarily, we are talking about the development and emergence of regional economic blocs. These blocs are based on more than just geography, however. Shared culture, history, and/or language often transcend formal boundaries. These traits are an important part of how and why people choose to do business with one another. As a result, regions can be a more realistic representation of people and their backgrounds than formal state borders.¹³ There are numerous examples on which we can draw here. The countries of Europe, North and South America, South-East Asia, and others have already embarked on the regionalization and have worked to formalize their economic relationships. According to Oman, regionalization emerged in response to three main factors: a heightened perception of interdependence; a diminishing level of national policy effectiveness; and a perception of the international system as more uncertain and unstable than in the past.¹⁴ First, the heightened level of competition brought on by globalization has created a sense of economic interdependence. This interdependence has, in turn, inspired the creation of economic alliances

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between states in order to raise their level of competitiveness.\textsuperscript{15} Second, as raised in our
discussion of the internationalization of production and the internationalization of markets above,
the national policies of individual states have become more and more limited in terms of their
effectiveness.\textsuperscript{16} Third, as mentioned briefly in the Introduction of this thesis, the new world order
is one characterized by many changes; changes that have transformed the international system and
the power structure within it.\textsuperscript{17} Together, these elements have helped to create an international
environment where it appears to be most beneficial for states to lower the obstacles to increased
inter-regional economic relations in order to consolidate their effectiveness, and increase their
competitiveness in the international system.\textsuperscript{18} We have now shed more light on the meaning that
globalization and its aspects hold for us in this thesis. However, in order to discuss how
globalization appears to lead to a loss of control over the factors of hegemony, we need to first
explore those factors by exploring the definition of hegemony to be used in this thesis.

\textit{Hegemony}

The end of World War II brought us into the era of superpowers and the Cold War. This

\textsuperscript{15} Belous, and Hecht, "Global Corporations...", pp. 1, 7, Matthew Horsman, and Andrew
Marshall, \textit{After the Nation-State: Citizens, Tribalism and the New World Disorder}, (Great Britain:

\textsuperscript{16} Emmerij, "Globalization, Regionalization...", p. 8, Oman, \textit{Globalization and
Regionalization...}, p. 34, Sideri, \textit{Globalization and...}, pp. 9-10, Turrenne Sjolander,

\textsuperscript{17} Horsman, and Marshall, \textit{After the...}, 197, Oman, \textit{Globalization and Regionalization...}, p. 34,
and Daniel S. Papp, \textit{Contemporary International Relations}, (Boston: Allyn & Bacon, 1997), p. 27.

\textsuperscript{18} Kenichi Ohmae, \textit{The End of the Nation-State: The Rise of Regional Economies}, (New York:
period in international relations history is very important in part because it saw the birth of the U.S. as a hegemonic power. It is not our task here to take up the debate over the decline of American hegemony, but, rather, to look to see how American hegemony is perceived. That is to say that, this thesis seeks to provide evidence that exposes the perceptions of policy-makers toward U.S. hegemony rather than providing actual indicators of the status of American hegemony. As such, we need to take a moment to define perception before proceeding further.

a) defining perception

Our definition of perception is as follows: “Perception involves how people look at the world, the assumptions they make about it,” and “how they respond to new situations.” According to Cottam, perception plays a very key role in policy-making along with environment and personality. All of these combine to shape the policy-maker’s image of the world around them as well as their image of their own country. In this way, perception and image can be understood to be major creative forces behind policy-making. This is an important point to

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20 In this first chapter, we seek only to define hegemony and to understand the theoretical links in our hypothesis. Our second chapter will then build on this theoretical understanding and deal with the actual perceptions of leaders and policy-makers concerning American hegemony.


remember throughout this thesis as we will be exploring the perception of a threat\textsuperscript{23} to continuing U.S. hegemony as well as the perception that regionalism will help the U.S. to regain lost hegemonic ground. The perception of the nature and status of American hegemony is a major part of what pushes policy-makers in terms of policy choices for the future of that hegemony. This will be stressed throughout our work. It is not our intention to actually measure American hegemony, instead, we will define it and discover how American leaders and policy-makers perceive it. Let us turn now to the definition of hegemony that will be used throughout this thesis.

\textit{b) defining hegemony}

In this thesis, hegemony is defined as "a situation in which one state is powerful enough to maintain the essential rules governing interstate relations and is willing to do so."\textsuperscript{24} This definition has been chosen because it places an emphasis not only on the material and military preponderance of a state but also on its policy choices. That is to say that, this definition implies that the choice of a state to assume the role of hegemon is as important as its ability to fulfill that role. For Robert Keohane, there are three factors that must be considered if a state is to attain or

\begin{footnotesize}
\textsuperscript{23}We will define a threat as being "an anticipation on the part of an observer, the decision-maker, of impending harm - usually of a military, strategic or economic kind - to the state." David J. Myers, \textit{Regional Hegemons: Threat Perception and Strategic Response}, (Boulder: Westview Press, 1991), p. 3.

\end{footnotesize}
maintain hegemonic status. These are the factors of hegemony mentioned in our hypothesis.\textsuperscript{25} First, the hegemon must have a stronger control than any other country over a number of elements. Raw materials, capital, markets, and production are the major elements considered. A greater level of control than any other country over these four elements creates the conditions for a preponderant level of economic prosperity. Keohane points to high wages and profits as examples of this prosperity. A strong domestic economy allows the hegemon to be dominant in the global economy.\textsuperscript{26} As such, we will focus on the perception of the level of economic prosperity as an indication of control over the major elements exposed here.

Second, it is important that the hegemon have sufficient \textit{military capacity} to defend the global economy, which it dominates, from any threats. Just as it is important for the hegemon to maintain its economic prosperity, it is also important that the hegemon have both the capacity and the will to militarily defend its prosperity and the conditions under which it was created.\textsuperscript{27} Third, there must be a willingness on the part of the state to assume a \textit{leadership role}. The leadership role of a hegemon is one that involves giving the international system its direction.\textsuperscript{28} For example: as pointed out by Papp, one part of the American leadership role as a hegemon has included steering the international system toward capitalism and away from communism. One of the ways this was accomplished was through the Bretton Woods system. The U.S. made financial aid

\textsuperscript{25}A fourth factor of hegemony from the work of Strange will be added to the three factors discussed here. This fourth factor will be brought out following our discussion of Keohane's factors.

\textsuperscript{26}Keohane, \textit{After Hegemony...}, pp. 33-34.

\textsuperscript{27}Keohane, \textit{After Hegemony...}, p. 39.

\textsuperscript{28}Keohane, \textit{After Hegemony...}, pp. 34-35.
available to countries in Europe and others, such as Japan, that needed help reviving their economies after WWII. This was not only an important demonstration of the U.S.' willingness to assume a leadership role in the international system but also of the willingness of other states to accept that leadership. Indeed, hegemonic leadership is also based on "the perception by others of the legitimacy of the exercise of leadership by the preponderant power." It is not enough that a state wishes to guide the international system. Other states must also be willing to follow the would-be-hegemon's leadership.

To this definition, we will add one point brought out in Susan Strange's discussion of hegemony. A hegemon must also be able to control or greatly influence the acquisition, communication, and accumulation of knowledge and information. More specifically, we will be referring to information and communication technologies, such as cyberspace or the Internet, since they now play such a large role in the flow of information and ideas. Essentially, these technologies are devoted to the collection, storage, and retrieval of information as well as the advancement of communications systems. Because of the enormous growth of these industries, as we will discuss in more detail later in this chapter, information now flows with much less regard for borders or national policies. As such, hegemonic control in the domain of knowledge and information comes into question. Combined, these four factors (economic prosperity, military

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32Strange, "The Persistent...", p. 570.
capacity, assumption of a leadership role, and control over information) make up the most important components of the definition of hegemony that we will use in this project.

Armed now with a greater understanding of both hegemony and globalization, we need to look at the link between these two concepts. This will begin to show us how a loss of control over the factors of hegemony could fuel the perception of a threat to continuing U.S. hegemony. We will examine this link through the four factors of hegemony: economic prosperity; military capacity; assumption of a leadership role; and control over information.

c) the economic prosperity factor of hegemony

The first factor of hegemony involves securing a preponderant level of economic prosperity through a command over resources. We now need to discover how globalization is linked to economic prosperity. One of the points raised in our discussion of globalization is the heightened level of competition in the international system. With greater competition, it has become increasingly difficult to retain the command over resources that we discussed in our definition of hegemony. The higher the level of competition and number of competitors in the global economy, the more difficult and costly it is for states to secure resources such as crucial raw materials and major sources of capital.\(^{33}\) This is highlighted when we look at regionalization. Regionalization emerged in response to changes in the international system. For Wyatt-Walter, these changes included the end of the Cold War, the shift in global economic power, the reform of developing economies, and the increasing importance of non-tariff barriers in trade relations.

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Each of these four points has helped to heighten the level of competition in the international system and inspire the growth and emergence of economic blocs.\textsuperscript{34} Essentially, this has made it more difficult for any one state to hold economic advantages over any other state or group of states given what we know about the economics of globalization. That is to say that, in the face of greater competition from regional blocs, such as the European Community (E.C.), the ability of the U.S. to maintain economic advantages over its competitors is threatened. This, in turn, affects the state's ability to secure a command over resources and, consequently, economic prosperity. These points demonstrate how globalization can be seen to lead to a loss of control over the economic factor of hegemony. This discussion also shows us how the literature supports the perception of a threat to American hegemony in terms of the economic component of our definition. We will address this perception of a threat more fully in Chapter Two.

\textit{d) the military factor of hegemony}

The second factor of hegemony involves a willingness and a capacity to defend one's interests militarily in the international community. This needs to be examined on two levels. First, globalization has created an environment where the costs of maintaining a strong military are such that they add to the difficulties of an already highly competitive international economic situation. Essentially, we are referring to the heightened economic competitiveness discussed above as well as the marginalization of the state's position in international economic decision-making as was brought out in our discussion of global financial markets. These make it more and

more difficult for any state to continue to dedicate so much of its resources to military issues; let alone a state with the enormous military obligations of a hegemon. Trulock and Mastanduno argue in support of these by pointing out that the heightened level of competition in the global economy weakens the ability of the U.S. to create economic policies that complement a strategy of military preponderance.35 This helps us to see how globalization appears to lead to a loss of control over the military factor of hegemony. Joseph points out that, given the many issues seriously affecting the U.S. economy in the 1990s, it is necessary for the U.S. to alter its security policies if they are to adequately address the economic challenges of globalization.36 Second, globalization has made it difficult to identify the enemy. Military threats are no longer so clear as they were during the Cold War.37 Hyland, Leyton-Brown, and Ruggie point out that this situation makes it extremely difficult for the U.S. to shoulder so much of the economic burden of such a wide range of international security commitments. They cast doubt not only on the capacity of the U.S. military to continue to shoulder such a burden but also on their willingness to do so.38 This takes us back to the more limited economic policy-making role of the state that we mentioned in our discussion of the internationalization of production and global financial markets.


37Joseph, Peace Politics…, p. 11.

When we take into consideration all that we have discussed about the economics of globalization and add to that the diminished capacity and willingness of the U.S. to commit its military resources to policing the international system, we see how globalization appears to lead to a loss of control over the military component of hegemony. As a result, the literature helps us to see a little more clearly how globalization could be perceived as a threat to continuing U.S. hegemony.

*e) the leadership factor of hegemony*

The third factor of hegemony involves the assumption of a leadership role on the part of the hegemon and the acceptance of that role on the part of the international community. With the end of the Cold War, questions surrounding continued American leadership were raised. As we saw in our discussion of globalization, the increasing “control gap”\(^39\) in the global economy has marginalized the state’s economic decision-making power. As the demands of the global economy have grown, the ability of any one state to meet those demands has diminished thereby creating a gap between the state and the international system.\(^40\) Other authors pick up on this point to show us that as globalization has limited the state’s influence in economic decision-making, the ability of the state to create and co-ordinate policies that support its leadership also becomes more limited.\(^41\) Added to this, leadership in the international system has shifted to


\(^{40}\)Leyton-Brown, and Ruggie, “The North...”, p. 4.

include other actors. This is a result of the heightened competition that we discussed earlier. In some cases, that leadership comes from a regional bloc (such as can be seen in Europe) or, in other cases, that leadership comes from non-state actors (such as can be seen with multinationals). It is also important to consider that the lack of a definitive enemy, in addition to the explosion of regional and ethnic conflicts in which the U.S. has felt compelled to intervene, has placed an enormous burden on American leadership. When combined, these three points, the marginalization of the state’s policy-making power; the growth of leadership rivals in the form of regional economic blocs and other major international players, such as multinationals; and the enormous security burden of the post-Cold War era, work to inspire a revival of isolationism in the U.S. The new world order has created an environment where the United States is “a reluctant superpower, eager to continue to enjoy the privileges of that status but increasingly unwilling to assume its obligations”. One of the best examples of this can perhaps be found in the decline in defense spending over the past decade. Now that the fight for nuclear supremacy has been fought and won, the U.S. has not been eager to commit so much of its resources to supporting what has essentially become a global police force. Globalization has brought the


willingness of the United States to assume a hegemonic leadership role into question. This, in turn, makes the acknowledgement of American leadership by the international community appear tenuous as well. All of this shows us how globalization appears to inspire a shaky view of American hegemonic leadership.

f) the information factor of hegemony

The fourth and final factor of hegemony involves the acquisition, communication, and accumulation of knowledge and information. Our focus here is on information and communication technologies such as the Internet and cyberspace. Globalization appears to lead to a loss of control over information in the increasing level of access to information in the world today. This is due, in part, to the high level of competitiveness in the global economy. With greater competition in an increasingly liberalized economic environment, technological fields have advanced very quickly according to Gompert.47 As information technologies have advanced, they have become more accessible to businesses, states, and individuals alike regardless of borders.48 This freedom of access to information brings the concepts of territoriality and borders under

46(...continued)
some analysts of the post-Cold War period will not concur with an analysis which suggests that the US has demonstrated a decline in military commitment. The US role in NATO expansion, or its activities in such conflict areas as Somalia, Bosnia or Kosovo notwithstanding, what is of particular interest to this thesis is the perception of an isolationist sentiment arising from post-Cold War military policing commitments.


question particularly as concerns policy-making. For Goodman and Greenberg, as information technologies have become more and more popular, the state’s ability to govern and to exert influence in the field of information technology is more and more limited. Herein lies the manner in which globalization appears to lead to a loss of control over information. The technology that allows information to flow without concern for geography has limited any one state’s regulatory control. This is a concept that was brought out in our discussion of global financial markets. The field of information technology has grown quickly and globally. The liberalization that aids states to increase their competitiveness has also aided in the creation of a global market for information technology that can not be effectively governed by any one state. We have now examined all of the factors of hegemony and shown how globalization appears to lead to a loss of control over these factors. This lays the foundation for our examination of the perception of a threat to hegemony as a result of globalization. This will be our task in Chapter Two. We now need to turn to examine the regionalism portion of our hypothesis.

Regionalism

The final portion of our hypothesis involves the perception of regionalism as a means of regaining the hegemonic ground we’ve been discussing so far in this chapter. Keohane maintains that “to be successful in the long term, a hegemonic strategy must recreate the conditions for its

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50 Goodman, and Greenberg, “Is Big...”, p. 11.

own existence. Pursuit of a strategy must generate strength, or hegemony will eventually collapse. Any strategy of hegemonic leadership must therefore seek to maintain the national base of resources upon which governmental influence and leadership rest.”\(^{52}\) It is the contention of this thesis that regionalism is one of those strategies. In order to provide a complete understanding of the nature and role of regionalism here, we will turn first to our definition of regionalism so that we can maintain a clear understanding of this concept and how it fits into this thesis.

\textit{a) defining regionalism}

Unlike regionalization, which we have defined as one of the aspects of globalization, regionalism is based on the policy choices of individual states rather than economic patterns of interaction. While regionalization is an economic global trend that has developed under the rubric of globalization, regionalism is a political choice.\(^{53}\) Having said that, the following excerpt from the work of Andrew Hurrell will serve as our definition for regionalism in this project: “a set of policies by one or more states designed to promote the emergence of a cohesive regional unit, which dominates the pattern of relations between the states of that region and the rest of the world, and which forms the organizing basis for policy within the region across a range of issues.”\(^{54}\) In terms of this thesis, regionalism is a term that will be used in both a proactive and a

\(^{52}\)Keohane, \textit{After Hegemony} ..., 178.


reactive context here. That is to say that, while it is our contention that regionalism is a defensive policy reaction to a perceived threat to American hegemony, it is also our contention that the choice of regionalism as a policy is a deliberate one employed in order to take advantage of the perceived benefits of formal regional ties.

Having established our definition of regionalism in this thesis, we will seek to demonstrate here how regionalism factors into our argument. In order to do this we will be looking at the perceived link between regionalism and the factors of hegemony as well as the perceived link between regionalism and globalization. We will structure our discussion around an historical account of regionalism in the Western hemisphere. Our account will focus on the role of the U.S. in regional relationships in this part of the world as it is this country’s policies that most particularly concern us.

b) a history of regionalism in the Americas

Regionalism in the Americas has a long history. We will begin by looking at the development of the Inter-American system. The Inter-American system was born out of integration efforts between Latin American states in the early 1800's. The U.S. would not become a participant in this process, however, until the announcement of the Monroe doctrine in 1823. According to Nef, the Monroe doctrine advocated greater American interventionism in the welfare and development of South America. This interventionism was disguised in an American commitment to ridding South America of the presence and influence of any and all former colonial
powers.\textsuperscript{55} The Pan-American Union, formerly known as the Commercial Bureau of the American Republics, came into effect in the late 1800's with the addition of the U.S. to South American regional efforts. This was the first step on the part of the U.S. to fulfilling the objectives of the Monroe doctrine.\textsuperscript{56} Under the umbrella of the Pan-American Union, a number of hemispheric conferences were held. These conferences discussed a wide range of topics but proved to be largely ineffective as far as concerned Latin American interests.\textsuperscript{57}

In 1948, the Pan-American Union was transformed into the Organization of American States (OAS) with the signing of that organization's charter in Bogotá.\textsuperscript{58} This charter would be amended in 1967 and again in 1985. Basically, the OAS has as its function to facilitate Inter-American relations. Other agencies born from this organization include: the Inter-American Development Bank; the Inter-American Commission on Human Rights; and the Inter-American Economic and Social Council. The only state especially exempted from this group is Cuba. Cuba was expelled from the OAS in 1962 because communism was deemed to be incompatible with the goals of the Inter-American system.\textsuperscript{59}

The 1980s brought a rejuvenated approach to regionalism in the Americas on the part of


\textsuperscript{57}Nef, "The Political...", pp. 405-406.

\textsuperscript{58}Durand, "Decades of...", p. 49.

\textsuperscript{59}Durand, "Decades of...", p. 50.
the U.S. There were a number of factors that contributed to this. The end of the Cold War, the
entrenchment of neo-liberal policies; and the isolation of Cuba were the major factors that allowed
the U.S. to change its philosophy regarding Inter-American relations.\textsuperscript{60} By contributing to the
developing changes in the international system, these factors helped in the creation of political,
economic, and social conditions that worked to encourage regionalism in the Americas. For
example, the entrenchment of neo-liberal economic policies throughout the hemisphere has made
market integration easier.\textsuperscript{61} This is where we begin to see the link between regionalism and
globalization.

c) the CBI

With the election of President Reagan, the Inter-American system would see the tabling of
an initiative on the part of the U.S. to improve the economic situation of the states in the
Caribbean basin. The Caribbean Basin Initiative marked a turning point in hemispheric relations.
The CBI was different than any other hemispheric initiative in which the U.S. had participated
before. For Bakan, the CBI was an expression of a shift in U.S. foreign policy because its main
goals were to strengthen the economic ties between the nations of the Caribbean basin and the
U.S.\textsuperscript{62} This policy approach was a shift from the "customary concentration on military aid to the

\textsuperscript{60}Nef, "The Political...", p. 412.

\textsuperscript{61}Nef, "The Political...", p. 412.

\textsuperscript{62}Abigail B. Bakan et al, eds, \textit{Imperial Power and Regional Trade}, (Waterloo: Wilfrid Laurier
countries of the region." The CBI represented a great opportunity for the U.S. to expand its trade and investment opportunities in a region of "great strategic interest" to its hegemony. Though the size of this region does not make it economically important to the U.S., the strategic importance of the Caribbean lies in the vulnerability that it can bring to the U.S. That is to say that, the Caribbean basin has been home to strong resistance to American interventionism. This resistance represented a rejection of American hegemony in the U.S.' backyard. Rather than continue to employ military intervention to solve problems in the Caribbean basin, the CBI provided a more peaceful solution to this resistance. Already, we can see the manner in which the literature shows the perception of regionalism as the right strategy for offsetting the perceived threat to U.S. hegemony.

d) the CUFTA and the NAFTA

This desire to use the expansion of trade and investment opportunities within the region in order to consolidate and maintain U.S. hegemony continued where the CBI left off in the form of the Canada-U.S. free trade agreement. In 1987, Canada and the U.S. announced their intention of negotiating a free trade agreement. The history of Canadian-American relations has on more than one occasion hinted at the possibility of creating deeper formal ties; including a Canadian-

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63 Bakan, Imperial Power..., p. 2.

64 Bakan, Imperial Power..., p. 5.

65 Bakan, Imperial Power..., p. 5.
American automotive agreement signed in 1965. However, it would be the Canada-U.S. free trade agreement signed in 1988 that would formally and firmly establish regionalism in North America. The CUFTA would serve as the basis for the creation of a North American free trade agreement. By 1994, Canada and the U.S. had expanded their free trade zone to include Mexico. The NAFTA made North America the largest trading bloc in the world and a very strong economic force in the global economy.

There are three main motivations for the American pursuit of the CUFTA and the NAFTA discussed in the literature. First, Axline, Pham, and Veganzones, and Leyton-Brown each discuss regionalism in North America as the means through which the U.S. can recover its economic strength and increase its competitiveness in the global economy. As globalization has changed the circumstances of economic relations in the international system, the U.S. has had to develop a strategy for staying economically competitive. Regionalism is that strategy. Second, for Oman, and Bhalla, and Bhalla, regionalism in North America was pursued in order to respond to the rising strength of other actors in the international system. More specifically, these authors are

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67 Bhalla, and Bhalla, *Regional Blocs...*, p. 11, 123.

referring to regional economic groups in Europe and in Asia.\(^6\) Third, Hurrell points out that an important consideration for the pursuit of regionalism in North America was the increasing interdependence brought on by globalization. That is to say that, as also seen in the work of Abrams, regionalism provides the U.S. with a structure through which it can address the issues that are considered as transnational in the new world order.\(^7\) For example, Abrams points out that regionalism gives the U.S. the opportunity to address humanitarian concerns without the use of military force. In this way, the U.S. can work to maintain its leadership without having to commit more of its resources to the international system.\(^8\) This point will become more evident as we examine the EAI and the FTAA.

e) the EAI

Before the ratification of the NAFTA even took place, an initiative was announced by President Bush in 1990 that pushed the states of the Western hemisphere even closer to a formal alliance. The Enterprise for the Americas Initiative (EAI) announced the intention of the U.S. to seek an hemispheric free trade agreement. The EAI, a road map leading to the negotiation of a Free Trade Agreement of the Americas (FTAA), spells out the terms and conditions that other states in the Western hemisphere will have to meet before hemispheric free trade can be realized.

\(^6\)Bhalla, and Bhalla, Regional Blocs..., p. 121, and Oman, Globalization and Regionalization..., p. 75.


\(^8\)Abrams, Security and..., p. 132.
These terms and conditions exist at three levels: debt, trade, and investment. The EAI provides the opportunity for debt reduction on a case-by-case basis, in addition to an investment reform package and trade liberalization. Bailey and Perry point out that the EAI was meant only as a preliminary design. A series of hemispheric conferences have since taken place to discuss the possibility of hemispheric free trade. At present, the deadline for the signing of the FTAA is in the year 2005.

f) the FTAA

The motivations for pursuing the FTAA in many ways mirror those discussed above with reference to the NAFTA and the CUFTA. The literature points to hemispheric regionalism as the means by which the U.S. is seeking to consolidate its hegemony on two main levels. First, Barfield, and Hurrell point out that the emergence of regionalism elsewhere in the world acted as a strong motivating factor for the U.S. in the announcement of the EAI and in the subsequent discussions and negotiation concerning the FTAA. American economic competitiveness is strengthened through hemispheric regionalism. Second, hemispheric regionalism would allow the United States to address the issue of its commitment to international leadership. For

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74Bhalla, and Bhalla, Regional Blocs..., p. 154.

Bergsten, Hyland, and Weintraub, regionalism is a very convenient strategy for promoting American values and addressing American leadership concerns, such as democracy and human rights, at the international level without having to take on alone the cost of intervention. 76 Together, these arguments begin to show us how regionalism is perceived to be the means for resecuring control over the factors of hegemony thereby offsetting the perceived threat to continuing U.S. hegemony. We will explore the perceptions of American leaders and policymakers in Chapter Three in order to further demonstrate the validity of this third section of our hypothesis.

Conclusion

This first chapter has provided us with the theoretical foundation for this thesis. We have defined the important terms associated with our hypothesis. As well, we have put forward our hypothesis and undertaken an explanation of its three parts; consisting of how globalization appears to lead to the loss of control over the factors of hegemony; further, the perceived threat that this poses to continuing U.S. hegemony; and, finally, the perception of regionalism as a response to that perceived threat. What we have discussed clearly supports the perception that globalization, and its different aspects, threaten U.S. hegemony. Our discussion has also shown us how regionalism could be construed as a solution to the problem that globalization poses to continuing hegemony. In our next two chapters, we will turn to exposing the empirical

foundations for our project. We will be building on the theoretical arguments that we have posited here and attempting to demonstrate them on an empirical level.
HEGEMONY, POLICY-MAKERS, AND PERCEPTION

Introduction

In the years following WWII, American hegemony thrived. However, questions and doubts surrounding U.S. hegemony began surfacing in the 1970s. This questioning continued throughout the 1980s. The end of the Cold War and the realities of a new world order in the 1990s have continued to raise doubts about U.S. hegemony and its future. In Chapter One, we completed a theoretical examination of the three points raised in our hypothesis. Our first point involved a discussion of globalization and how it appears to lead to a loss of control over the factors of hegemony. This leads to a discussion of how this loss of control fuels the perception of a threat to American hegemony. We finished the chapter with a theoretical discussion of our third point; regionalism as a response to that perceived threat. What is left to us now is to shift the focus of our inquiry from the theoretical to the empirical. Having examined our first argument concerning globalization and how it appears to lead to the loss of control over the factors of hegemony through the theoretical review of the literature, we will use the empirical work in this second chapter to demonstrate the validity of our second argument: the perception of a threat to American hegemony. This argument will be addressed according to the different elements raised in our definition of hegemony. Those elements include: economic prosperity, military capabilities, international leadership, and control over information. It is the contention of this thesis that American leaders and policy-makers perceive American hegemony to be threatened by the effects of globalization.

This chapter will examine the statements of American leaders and policy-makers in the
executive and legislative branches of government. We will include statements from different White House Administrations as well as from speakers in the House of Representatives and the Senate. Clearly it is not feasible to include all of the statements made by political leaders throughout the entire course of U.S. hegemony so I have chosen to focus on the three Presidents in office since the early 1980s as well as some key members of their Administrations. Along with this group of policy-makers I have included statements from the Congressional Record during the same time period. I believe these to be a reasonable indication of the dominant political perceptions surrounding our topic as they represent three of the most powerful policy-making institutions in the U.S. Let us begin with the perceptions surrounding economic prosperity.

**Perceptions of Economic Prosperity**

The ability of a state to maintain control over certain key resources at the international level as a means of securing a preponderant level of economic prosperity is the first point raised in our definition of hegemony. In particular, we mentioned raw materials, capital, markets, and production. All of these resources contribute to the economic health of a state. The U.S. was able to create this situation of economic prosperity in the years following WWII. That began to deteriorate in the post-Vietnam years of the 1970s. By the late 1980s, President Bush was entering office and the U.S. was facing profound changes in the international arena. The perception of a link between these changes and the economic prosperity of the U.S. is reflected in many of the statements made by former President Bush during his time in office. At a Presidential News Conference on the federal budget crisis in 1990, President Bush expressed his worry that the economic strength of the U.S. in the global economy was falling.
But at times, one has to come together to do the country's business for the overall good. And these outrageous deficits cannot be permitted to go on and on and on and on. I'm worried about international markets. I'm worried about this country -- the opinion that it can't take care of its fiscal business. But I'm in here to do what is best for the country, and what is best for the country is to get this deficit under control, to get this economy moving again, and to see people at jobs, not out on some welfare line. And that's what's at stake here -- economic soundness of the United States. We've got a lot of things going on in the world, and a strong economy is vital to what I want to see achieved in this country.  

This statement demonstrates the perception on the part of the President that the U.S. was facing serious economic difficulties. These difficulties are reflected not only in the deficits upon which President Bush remarked, but also the economic stagnation mentioned in his statement. Also, the President shows us the link between globalization and these economic difficulties when he talks about his concern for international markets. It is clear from this excerpt that President Bush was frustrated over the lack of progress on budgetary issues and how that would affect the perception of the U.S. as an economic power by other international actors. This helps us to see how globalization is perceived to threaten hegemony in terms of the recognition of U.S. leadership on the part of the international community.

In a message to Congressional leaders in 1991, President Bush conveyed similar fears of economic stagnation or decline. The following passage demonstrates a recognition of U.S. economic decline and the need for new economic measures to renew American competitiveness and economic prosperity in the 1990s.

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The events of 1990 were a reminder that even a healthy economy can suffer shocks and short-term setbacks. In early August, Iraq invaded and occupied its small, defenceless neighbour Kuwait and threatened Saudi Arabia. Oil prices rose substantially on the world market, and business and consumer confidence plummeted. These shocks hit an economy that was already growing slowly for several reasons, including worldwide increases in interest rates, tightened credit conditions, and the lingering effects of a successful attempt begun in 1988 by the Federal Reserve to prevent an acceleration of inflation. As the Nation proceeds into the 1990s, it is important to remember the simple secret of America’s economic success in the 1980s: a government policy that allowed the private sector to serve as the engine of economic growth. We must also remember that economic growth is the fundamental determinant of the long-run success of any nation, the basic source of rising living standards, and the key to meeting the needs and desires of the American people. Advances in technology, shifts in world market conditions, and changes in tastes and demographics have created major new industries and dramatically altered the fortunes of existing industries. Growth and prosperity are enhanced by strengthening and extending the scope of market forces, not by substituting government dictates for the free choices of workers, consumers, and businesses.  

The above passage shows a recognition on the part of the President of global forces affecting the American economy. The President clearly states that he believes growth to be the primary indication of a strong and healthy economy. In the same statement, President Bush also acknowledges the role of international actors in the slowing or stunting of the American economy when he discusses the rise of oil prices on the world market causing “business and consumer confidence” to fall. The President’s statement shows his perception that the economy was

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moving slowly and that the globalized financial markets that we discussed in Chapter One were having a great effect on the ability of the U.S. to improve the health of its economy.

The 1990s would see the election of another President for the United States. President Clinton also spoke on the state of the American economy in the era of globalization. Similar to his predecessor, President Clinton can be understood as perceiving the U.S. economy to be struggling in the environment of the global economy.

Today I come to this same place to deliver an address about what I consider to be the great challenge of this day: the imperative of American leadership in the face of global change. Today, I want to...focus on the economic leadership we must exert at home and abroad as a new global economy unfolds before our eyes. (T)he Cold War was a draining time. We devoted trillions of dollars to it, much more than many of our more visionary leaders thought we should have. The change confronting us in the 1990s is in some ways more difficult than previous times because it is less distinct. It is more complex and in some ways the path is less clear to most of our people still today even after 20 years of declining relative productivity and a decade or more of stagnant wages and greater effort. (N)ow we are woven inextricably into the fabric of a global economy. Whether we see it or not, our daily lives are touched everywhere by the flows of commerce that cross national borders as inexorably as the weather. Capital clearly has become global. Services have become global. And most important of all, information has become global and has become the king of the global economy. It is ironic and even painful that the global village we have worked so hard to create has done so much to be the source of higher unemployment and lower wages for some of our people.80

In the above statement, made soon after President Clinton took office in 1993, it is clear that globalization was perceived to have been negatively affecting the U.S. in its bid to remain

80President William J. Clinton, “Remarks by the President at American University Centennial Celebration”, (February 26th, 1993), http://www.pub.whitehouse.gov/uri-res/12R?.
dominant economically. President Clinton notes the global nature of economic forces in the 1990s and also points out the decline of the American economy in terms of production and labour standards. His statement recognizes the interdependence of the global economy and the necessity of change in the American economy in order to adapt to the demands of the new world order.

It is not only at the executive level that we see this perception of economic struggles due to the changing international environment. At the legislative level, there exists a perception among policy-makers that the economic baggage of the United States from the 1980s has hampered its ability to rise to the challenges of the global economy in the 1990s. In 1995 during his remarks on the U.S. world trade deficit, Senator Byron L. Dorgan, Dem., North Dakota, made the following remarks.

I think people need to know that the collapse of the dollar on the currency exchanges is not something that should be unexpected, given the current circumstances in this country. (T)n the last calendar year we suffered the largest merchandise trade deficit in the history of this country — in fact, the largest trade deficit in the history of humankind. You can see what is happening to manufacturing in this country by virtue of what we are importing in manufactured goods. In other words, the trade on goods that are manufactured, that is a trade process in which we lose. The fact is in international trade, there are winners and there are losers. The winners have the jobs and the opportunities, and the losers suffer economic decline. This trade picture in this country shows a picture, a bleak picture, of decline, and it is something that we must change. (T)ake a look at what has happened to the United States in terms of net exports. It has collapsed. It weakens and injures this country. Our country suffers very stiff, steep deficits in international trade balances, and the fact is it means lost jobs and lost opportunity here in the United States.81

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81 Senator Byron L. Dorgan, Dem., North Dakota, "The U.S. World Trade Deficit", Congressional Record 141, no. 43 (Wednesday, March 8th, 1995), http://thomas.loc.gov/cgi-
The Senator’s statement demonstrates his perception that the economic fortunes of the United States are on shaky ground. For Senator Dorgan, this decline is due to the inability of the American economy to keep up with the high level of competition in the global economy. This brings us back to our discussion of globalization from Chapter One. The heightened level of economic competition brought on by globalization is clearly perceived in this excerpt to have negatively impacted the economic prosperity of the U.S. When Senator Dorgan talks about winners and losers and the loss of jobs and opportunity to the losers, he shows us his perception of the link between the heightened level of competition in the global economy and the economic prosperity factor of hegemony. Senator Dorgan took up this sentiment again in 1996 where he states even more clearly that the United States is falling behind in the international economic arena.

In the long run the question of whether this country has a strong, vibrant, healthy economy will depend on how we produce, what we produce, and whether we have a strong manufacturing base. We have an economic system that has been redefined in our country in recent years by large international economic organizations. And they have redefined it by saying we choose to want to produce. Whether it is to produce and sell in established markets, we choose to access 20-cent an hour labour, or $1 an hour labour, and sell the shoes, or the products from that labour, the shirts, the belts, the cars in Pittsburgh, or Tokyo, or Fargo, or Denver. The problem is that disconnects. That is a global economic circumstance that we probably cannot change very much in the broader sense but that we address with respect to additional rules because it disconnects the income from the source of production from the consumers who are going to be consuming the benefits, or the fruits of production. When I was a kid walking to

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81 (...continued)
bin/query/D?r104:13:/temp/~r1041AyHaB:e0:.
school, I knew every day that our country could win just by waking up; we were the biggest, the strongest, the best, and we could win the economic contest with one hand tied behind our back. But times are different, and we cannot do that today. This is an economic competition in which we are involved. It is a competition with winners and losers. It is not a circumstance where everybody wins. We are losing our manufacturing base in this country. (W)orldwide economic competition decides who wins and advances with new jobs and better opportunity and who suffers the turn-of-the-century British disease of long economic decline.\textsuperscript{82}

The Senator's speech shows us that he perceives the American economy to be threatened. He begins by talking about the necessity of a strong manufacturing base as a component of an healthy economy. Later, he points out that the U.S. is losing its manufacturing base. Also, this policy-maker implies at various points in his comments that the U.S. is no longer in a strong enough economic position to be assured of being a winner in a competitive global economy where international organizations, including multinationals, are loyal only to the lowest bidder. He also alludes to the internationalization of production in his statement above. The Senator notes the internationalization of production in terms of location and standards and points out that this situation reinforces the difficulty of maintaining economic strength since it is international organizations, such as multinationals, that are redefining the American economy. This is demonstrated in his statement that the U.S. has "an economic system that has been redefined...by large international economic organizations".\textsuperscript{83} Later in 1996, Senator Ernest F. Hollings, Dem., South Carolina, added his own remarks to this debate. For this member of the Senate, the

\textsuperscript{82}Senator Byron L. Dorgan, Dem., North Dakota, "Task Force on Jobs", \textit{Congressional Record} 142, no. 25 (Wednesday, February 28\textsuperscript{th}, 1996), http://thomas.loc.gov/cgi/query/C?r104:./temp/~r1044ZbwdD.

\textsuperscript{83}Dorgan, "Task Force...", http://thomas.loc.gov/cgi/query/C?r104:./temp/~r1044ZbwdD.
reduction of the standard of living and the loss of jobs on American soil are very important
indications of a threat to American economic prosperity.

Mr. President, lost in the rhetorical haze generated by
pollster politics is a serious discussion of the principal challenge
facing this Nation, that is, how can we arrest the decline in wages
and living standards and restore the American Dream. In the past
decade over 2 million high paying jobs in manufacturing have
disappeared. Those who have jobs are working longer and harder
for less compensation. Isn’t it more than a coincidence that the
breakdown in the family and the collapse of our inner cities would
coincide with an unprecedented era of economic insecurity? Once
the land of opportunity, America now has the worst distribution of
income in the industrialized world. 84

Finally, to this list of leaders and policy-makers, we will add the brief remarks of another
member of the legislative branch of American government. Senator Robert C. Byrd, Dem., West
Virginia, spoke in 1997 on the seriousness of the trade deficit to America’s competitiveness in the
global economy. This policy-maker clearly perceives the economic baggage of the United States
to be a major factor in its decline in competitiveness in the post-Cold War world.

The trade deficit, as my colleagues know, is a relatively
recent phenomenon, with large deficits only occurring within the
last 15 years. In the 1980s, the U.S. merchandise trade balance
ballooned from a deficit of $19 billion in 1980 to $53 billion in
1983, and then doubled in a year, to $106 billion in 1984. (T)n
1996 the United States had the largest negative merchandise trade
balance in our history, some $188 billion, and it is the third
consecutive year in which the deficit has reached a new record high.
(W)e know that the deficit reflects on the ability of American
business to compete abroad. It is clear that the trade deficit has

84 Senator Ernest F. Hollings, Dem., South Carolina, “America, Who Stole the Dream?”,
Congressional Record 142, no. 136 (Friday, September 27th, 1996), http://thomas.loc.gov/cgi-bin/query/C?r104:/temp/~r104N5PHJA.
contributed to the depreciation of the dollar and the ability of Americans to afford foreign products.\textsuperscript{85}

The remarks that we have seen thus far demonstrate the perception that the American economic power of the Cold War years has come under strain during the era of globalization. The reasons for which these policy-makers perceive a decline in the strength of the U.S. economy can all be traced back to the loss of control over the economic factors of hegemony; the factors to which globalization appears to lead. So far, the excerpts we’ve seen have exposed the perceived links between globalized financial markets and the performance of the American economy. As well, we’ve seen the perception of the heightened level of international competition and the internationalization of production as important factors in a perceived decline in U.S. economic prosperity. The perception of a threat to American economic prosperity due to the challenges of globalization is evident in the remarks of its leaders and policy-makers. We will turn now to the second aspect of our definition of hegemony in order to see whether or not the perception of decline due to globalization extends to the U.S.' military capabilities.

\textbf{Perceptions of Military Capacity}

The 1990s have proven to be a decade of trials for the American military machine. As we discussed in our first chapter, globalization has brought new challenges to the military. These challenges happen on two levels. First, the new world order offers no definitive enemy as did the

\textsuperscript{85}Senator Robert C. Byrd, Dem., West Virginia, “Commission to Eliminate the Trade Deficit”, \textit{Congressional Record} 143, no. 36 (Wednesday, March 19\textsuperscript{th}, 1997), http://thomas.loc.gov/cgi-bin/query/C?r105:./temp/~r105Uwd1RW.
Cold War era. The rise of regional and ethnic conflicts not directly affecting the United States combines with the lack of an enemy to create an increasing unwillingness to shoulder so much of the military obligations of international security. Second, the economics of globalization, as we have already discussed, have compounded this increasing unwillingness to single-handedly police the international system because of the high level of economic competition and the more limited influence of policy-making as understood through our discussion of globalized financial markets. We need to look now at statements from American leaders and policy-makers to discover whether these challenges are perceived as a threat to the military component of continuing hegemony.

In the 1995 Annual Report to the President and the Congress, submitted by former Clinton Administration Secretary of Defense William J. Perry, the strategy for the U.S. military in the post-Cold War environment is very clearly outlined. We have already discussed the enormous changes that globalization has meant for the military capabilities of the U.S. in Chapter One. In his remarks, the Secretary clearly acknowledges the importance of the heightened competition and interdependence in the era of globalization as an important factor to consider for the U.S. He outlines in his remarks below some of the perceptions that we brought out in our discussion of economic prosperity earlier in this chapter. Exposing his perception of the conditions of the international system will help us to understand his comments later on.

The imperative for American leadership arises from the nature of international relations on the eve of the 21st century, the unique position of the United States, and the rapid pace of global change. The world today is more complex and integrated than at any time in history. The number of active participants - nation states and, increasingly, non-state actors - pursuing their interests and vying for influence continues to increase. In some cases, this competition is proceeding with fewer international constraints than
in the bipolar world of the Cold War era. At the same time, the world is becoming increasingly interdependent. International borders are no longer the barriers they once were. While interdependence has many positive features, such as greater prosperity, it also means that events in other parts of the world are increasingly able to affect the United States.  

Secretary Perry very clearly shows us his perception of globalization as a major force to be considered in policy-making. These comments will help us to make the link between globalization and hegemony in the excerpt below. The perception of the need to reconsider the American military machine given the nature of the new world order is clear as we continue to examine Secretary Perry’s remarks.

With the collapse of the Soviet Union and the changing security environment, the nature of threats to U.S. national security interests has changed. Likewise, new opportunities have arisen for the United States, in concert with other like-minded nations, to advance its long-term interests, promote regional stability, and shape the international environment in favorable ways. Threats to the interests of the United States, its allies, and its friends can come from a variety of sources. Prominent among these are:

- Attempts by regional powers hostile to U.S. interests to gain hegemony over their regions through aggression or intimidation.
- Internal conflicts among ethnic, national, religious, or tribal groups that threaten innocent lives, force mass migration, and undermine stability and international order.
- Threats by potential adversaries to acquire or use weapons of mass destruction, including nuclear, chemical, and biological weapons and their means of delivery.
- Threats to democracy and reform in the former Soviet Union, Central and Eastern Europe, and elsewhere.

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• Subversion and lawlessness that undermine friendly governments.
• Terrorism.
• Threats to U.S. prosperity and competitiveness.
• Global environmental deterioration.
• The illegal drug trade.

Many of these threats are global in scale. They cannot, for the most part, be adequately addressed unilaterally, either by the United States or any other single nation state.87

In his report, Secretary Perry clearly believes that the new international security environment is one that requires a different outlook than that of the Cold War. Based on his remarks, we can see that the Secretary recognized the transnational nature of threats in the era of globalization. As a result, we can see very clearly that he also believed that given the nature of the international system, no one state can expect to “adequately address”88 threats within the international system unilaterally. Given what we have seen about the Secretary’s perceptions of globalization, his understanding of threats as they exist in that context, and the ability of the U.S. to deal with those threats of its own accord, it is not difficult to make the link between globalization and the perception of a threat to the military capacity component of hegemony.

At the Congressional level, Senator Strom Thurmond, Rep., South Carolina, shows his perception of the effects of economic restructuring on U.S. military capabilities. Also, the Senator shows his belief that, economic circumstances being what they are, the U.S. should be scaling back their policing commitments in the international system given the decline in military


funding in recent years.

Mr. President, over the past several weeks, the Senate Armed Services Committee held a series of hearings to review the status of our armed forces. I scheduled these hearings because I have been concerned for some time that the Administration's defense budget was inadequate to maintain readiness and because members and staff were bringing back anecdotal information indicating the readiness of our armed forces was declining. It was not surprising that the Chiefs acknowledged the U.S. military is falling into a readiness crisis and faces the danger of becoming a 'hollow' force if appropriate measures are not taken. Mr. President, when pressed to explain the reasons for the decline in readiness, Secretary Cohen and the Joint Chiefs of Staff attributed the cause primarily to the high operational tempo and the underfunding of the defense budgets. Mr. President, as long as the Administration continues to pursue a foreign policy that requires the U.S. military to be a global police force, our troops will be challenged by an operational tempo higher than that of the Cold War. Mr. President, next year, we are going to have to face up to the serious fiscal problems our military services are experiencing in addition to already existing outlay problems. The Congress will have to come to grips with these funding realities or consider significantly scaling back our worldwide commitments. We cannot continue to have it both ways. It is unfair to our men and women in uniform and cannot be sustained over time.89

Senator Thurmond's remarks show his doubts that the American military machine can continue to address the demands of global policing given the level of military funding in the U.S. This shows us the link between globalization and hegemony through the Senator's apprehension that the U.S. is not able to adequately meet the exigencies of American foreign policy given the situation with financing for the military. The link between globalization and the military component of

89 Senator Strom Thurmond, Rep., South Carolina, "Military Readiness and the Defence Budget", Congressional Record 144, no. 150 (Tuesday, October 20th, 1998), http://thomas.loc.gov/cgi-bin/query/D?r105:1::temp/-r105gUBZZ6:e0::
hegemony is remarked upon again by Representative Ron Paul, Rep., 14th district, Texas.

Madam Speaker, I have great concern for the future of the American Republic. The absence of overt war does not negate the fact that tens of thousands of American troops are scattered around the world in the middle of ancient fights not likely to be settled by our meddling and may escalate at any time. I remain concerned about the economy, our militarism and internationalism, and the systemic invasion of our privacy in every aspect of our lives by nameless bureaucrats. I am convinced that if these problems are not dealt with, the republic for which we have all sworn an oath to protect will not survive. Recent flagrant abuse of the power to wage war by modern-day Presidents, including the most recent episodes in Iraq, Afghanistan and Sudan, should prompt this Congress to revisit this entire issue of war powers. U.S. security, never at risk, has been needlessly jeopardized by the so-called peacekeeping missions and police exercises while constitutional law has been seriously and dangerously undermined.90

Representative Paul points to the demands of globalization on the American military when he discusses the many policing engagements to which the U.S. has committed itself. The Representative’s perception of the involvement of the U.S. military in ethnic and regional conflicts appears to lead to the perception of an undermining of the American constitution. We showed in our first chapter how the absence of a definitive enemy and the rise of regional and ethnic conflicts are important aspects of the era of globalization that need to be taken into greater consideration with regard to military policies. The Representative’s remarks show us that his perception of conflict in the era of globalization, as he has described it above and as we have depicted it in Chapter One, serves to undermine the strength of the U.S. This is where we see the link between

90Representative Ron Paul, Rep., 14th district, Texas, “Congress Relinquishing the Power to Wage War”, Congressional Record 145, no. 18 (Tuesday, February 2nd, 1999), http://thomas.loc.gov/cgi-bin/query/z?r106:H02FE9-359:.
globalization and the perception of a threat to the military component of hegemony.

In a statement by Secretary of State Madeleine Albright, we see the concern of what a military retrenchment would do to the security of the U.S. given the nature of globalization and the international interdependence that it has fostered.

Today, Americans may be proud that, around the world, the United States is standing with the peacemakers against the bombthrowers: supporting the Good Friday agreement in Northern Ireland; maintaining our commitment to a Middle East peace; striving to end conflicts in Africa; working with our partners to build peace in Bosnia and—as we speak—trying to bring stability and justice to Kosovo. We do so for compelling reasons. The prospect of our participation in a peacekeeping force may well make the difference between the success or failure of the negotiations. And failure in the talks could result in renewed wide-scale violence that would cause massive human suffering, jeopardize gains made in Bosnia and threaten stability through much of Southern Europe.

I’m not here today to accuse anyone of isolationism. But I do warn of a serious gap between what we need and want to accomplish in the world, and the resources we are willing to invest in backing that up. Today, only about one percent of the federal budget is devoted to international operations and programs. This finances everything from supporting peace to promoting American exports; and from fighting drugs to inspecting for weapons of mass destruction. (W)e are heeding the central lesson of this century, which is that problems abroad, if left unattended, will all too often come home to America. In this final year of this turbulent century, let us reject the temptation of complacency and assume, not with complaint, but welcome, the leader’s role established by our forebears.91

The Secretary’s statement demonstrates the high level of military commitment to the international system presently forwarded by the Clinton Administration but it also shows us the conflict that

exists within the policy-making structures of American government. Toward the end of her statement, Secretary Albright talks about needing to maintain a strong military presence internationally in order to prevent conflicts from intruding on American interests in the future. As well, she talks about making an international military commitment that is commensurate with the leadership position that the U.S. has taken for itself. Altogether, these comments combine to demonstrate how the decreasing availability of funding for the U.S. military in addition to the scope of international conflicts in the era of globalization have caused significant questions to be raised about the continuing willingness of the United States to defend its interests militarily in the international community. Most importantly, I believe the statements that have been looked at here show the perception that the increasing unwillingness on the part of American leaders and policy-makers to commit the U.S. to militarily policing the international system threatens continuing U.S. hegemony. This brings us to the leadership aspect of hegemony.

Perceptions of Leadership

The third component of our discussion of hegemony involves the assumption of a leadership role on the part of the hegemon. Certainly it is clear that the United States fulfilled this commitment throughout the Cold War years but it can no longer be taken for granted that this leadership will continue. The perception of a threat to the leadership aspect of hegemony can be seen in the resurgence of isolationism in American politics. The remarks that we will examine all show a fear on the part of American leaders and policy-makers that other American leaders view the challenges of the post-Cold War world as being best dealt with through an end to international leadership and intervention. This division among American policy-makers and leaders also affects
the manner in which the United States and its leadership are perceived in the international community.

In his address for the American University Centennial Celebration in 1993, President Clinton expressed his desire to have the United States continue to occupy a position of international leadership. What is also clear from his remarks is his perception of the popularity of a return to isolationist policies as a means of dealing with the international arena now that the Cold War has been fought and won.

We must challenge the changes now engulfing our world toward America's enduring objectives of peace and prosperity, of democracy and human dignity. And we must work to do it at home and abroad. The truth of our age is this – and must be this: open and competitive commerce will enrich us as a nation. It spurs us to innovate. It forces us to compete. It connects us with new customers. It promotes global growth without which no rich country can hope to grow wealthier. It enables our producers who are themselves consumers of services and raw materials to prosper. And so I say to you in the face of all the pressures to do the reverse, we must compete, not retreat. I know that there are those in this country in both political parties and all across the land who say that we should not try to take this ride, that these goals are too ambitious, that we should withdraw and focus only on those things which we have to do at home. But I believe that would be a sad mistake and a great loss. 92

The President's remarks show us that he believes the desire to retreat from the international system on the part of some segments of American society to be real. Also, these comments show President Clinton's desire to maintain an active international leadership role for the United States. Already we can see the policy division that fuels the perception of a withdrawal from world

leadership. In more recent years, this same sentiment was repeated by Samuel R. Berger, Assistant to President Clinton in Affairs of National Security.

(T)hese two items are only the more visible tip of a profound debate that must concern all Americans – whether we will remain engaged abroad and maintain our leadership in the world, or turn our back and retreat within our national borders. In the wake of the Cold War, we are not presented with a single, overriding threat. Instead, we face a range of threats — dangerous, but diffuse. Some believe the time therefore has come once again to “tend to our own business.” The argument presents itself in different shades, but at its core is the perception of the world essentially as a burden — as something to be dealt with only if necessary, ignored whenever possible. This view is premised on the belief that the foundations of our wealth and security are exclusively home-grown, that there is little to gain from foreign engagement and much to surrender — in resources expended, sovereignty diluted, jobs or even lives lost. That view, in my judgment, suffers from two basic fallacies - first, that we can isolate ourselves from the world, and second, that we should. Globalization – the process of accelerating economic, technological, cultural and political integration – is not a choice. It is a growing fact. It is not a fact that will proceed inexorably, with or without our approval. It is a fact that we ignore at our peril.93

Mr. Berger’s remarks clearly show the division in American society between those that would retreat into America’s borders and those that wish to maintain U.S. international leadership. It is evident from this statement that the presence of the isolationist sentiment in American society makes it an important topic for debate. Also, Mr. Berger demonstrates the importance of globalization in the new world order and his own strong disagreement that isolationism is the best way for dealing with the issues of the post-Cold War era.

Secretary of State Madeleine Albright, in her September 1998 remarks to the Carnegie

Endowment for International Peace, also stated her strong disagreement with isolationism as the basis of U.S. foreign policy in the future. In her statement, she strongly opposes turning inward to deal with the challenges of the post-Cold War world. Rather, she advocates a strong international presence. This presence is undermined, however, by the inability or the refusal of the United States to pay off its debt to the United Nations, thereby discrediting the leadership of the United States on the international stage.

But perhaps above all is a question related to each of the others: will the United States of America continue to lead, or will we hide our heads in the sand out of indifference, complacency or fear? Will we, in years to come, play the role of eagle, or ostrich? (W)e have reached a critical moment in our effort to shape the post-Cold War world. Security requires a world in which America’s vital interests are not at risk, and in which the values we cherish are widely shared. To build that kind of world, we must do more than build safer embassies. We must also do more to promote democracy, sound economic practices and respect for the rule of law. But unfortunately, for the past decade, we’ve been cutting foreign policy positions and slowing expenditures on international affairs – which now constitute only about 1 percent of the Federal budget. Moreover, the foreign operations appropriations bills approved by the Senate and now being considered by the House would make dramatic and unacceptable cuts in the amounts requested by President Clinton, while attaching burdensome restrictions to the expenditure of those funds. (W)e can’t lead without resources; and we need money for emergency assistance, for institution-building and to pay our contributions to the International Monetary Fund, which bears the brunt of short-term support for nations at risk. (T)he President will be asked to go before the world once again with our nation roughly $1 billion behind in payments to the United Nations system. This debt undermines our leadership in an organization our predecessors created, and in whose work we have a broad and varied interest. You can’t lead with no money. You can’t do it. 94

94Secretary of State Madeleine K. Albright, "Remarks at the Carnegie Endowment for (continued...)

(continued...)
The Secretary’s remarks very plainly show her commitment to making strong American leadership in the globalization era a reality. Her comments also show us the very real presence of isolationism within the policy-making and leadership structures of the U.S. As well, Secretary Albright very clearly states some of the difficulties that the United States is encountersing in securing their global leadership. Though its origins are political rather than fiscal, the outstanding debt owed by the U.S. to the United Nations is perceived by this policy-maker to be a serious threat to the continuing acknowledgment of American leadership in the international system.

Secretary Albright made other similar comments later in 1998 that support the theme of her remarks above.

More and more, we Americans lead global lives. We compete in a global workplace and do business in a global market. We travel further and more often than any prior generation. We see advanced technology creating new wonder, but also spawning new dangers, as the threats posed by terror, crime, drugs, pollution and disease spread across national borders. In our era, if we are to shape events rather than be shaped by them, we have to do more than sit with our feet up and hope overseas problems pass us by. The efforts we make to advance our security, prosperity and values are both right and smart for America and for our future. But we cannot lead without tools. It costs money to detect cheating at a nuclear facility in North Korea, or to dismantle and safely dispose of nuclear materials from the former Soviet Union.\(^9^4\)

These comments demonstrate the Secretary’s frustration with those that advocate a retreat from

\(^{94}\) (...continued)

the international stage. For Secretary Albright the matter is clear. Without the financial and political support for its international leadership, the United States will be unable to accomplish its goals; goals that the Secretary believes will secure a better life for all segments of American society. We need to switch our focus now from the executive level of government to other leadership and policy-making spheres of American society.

Within the legislative branch of American government, we can also see great concern over the course of American leadership in the era of globalization. This excerpt taken from a speech delivered by Senator Joseph R. Biden, Jr., Dem., Delaware, shows us his concern that budget cuts and a return to isolationism are seriously jeopardizing America's leadership.

In recent years, funding for international affairs has plummeted in real terms to its lowest level since World War II. Yet all the while, due to the downsizing of U.S. overseas military forces, diplomacy has become more important than ever as a vital front-line defence of American interests. (I)nternational affairs funding has suffered drastic budget cuts. These cuts have already begun to have noticeable effects on our Nation's diplomatic readiness. What kind of foreign policy do we want to have? Stated more bluntly—are we prepared to remain engaged in the world, or are we headed down the path of isolationism? Mr. President, how we fund our diplomatic resources abroad presents another test for American leadership—whether the growing forces of neo-isolationism or those favouring engagement are going to prevail in this congress. The lesson of the two world wars in this century—that we cannot preserve our own well-being in isolation from the world's problems—has now been compounded by technology. It is often stated, sometimes with excessive triumphalism, that we are the world's lone remaining superpower. Unfortunately, when it comes to devoting adequate resources for our diplomatic efforts, we rarely act the part. Indeed, our ability to continue our leadership role is threatened by the severe decline in
funding for international affairs.96

Senator Biden obviously believes that American leadership and diplomatic readiness have been seriously undermined by a lack of funding. From his comments, we can see the Senator’s perception that the lack of funding for diplomatic readiness stems from an isolationist sentiment in American government. Let us turn to the work of yet another American leader that believes that isolationism and political retrenchment are threatening the continuation of American international leadership.

In October 1998, Representative John Edward Porter, Rep., 10th district, Illinois, submitted to Congress the transcript of a speech delivered by the Administrator of the United Nations Development Program and the highest ranking American at the United Nations. The excerpt below demonstrates not only the perception of a division in the debate over U.S. leadership (isolationism vs. interventionism) but also the negative impression of U.S. leadership created by this debate in the eyes of the international community.

All too often, the United States certainly behaves as if this world did not matter much to it. Our economic interdependence with the rest of the world, including the underdeveloped world, has not been matched by a willingness at a policy level to engage the world. When you compare the percentage of gross domestic product devoted to development assistance among the other industrialized countries, the U.S. ranks dead last. Contributions to the UN’s development work remain modest, and the $1 billion plus owed to the UN remains unpaid. Basically, the issue is our country’s flagging commitment to international leadership. Some

40 U.S. embassies, consulates and branch offices have had to be closed in the last 6 years. Coverage of international affairs in the major national news magazines has dropped by 50 percent since the early 1990s. The country that has benefitted most from globalization, and has the greatest stake in its success, seems deeply reluctant to shoulder the load that our position in the world requires of us.

Mr. Speth’s remarks demonstrate how the U.S.’ indecision over its leadership role has affected the recognition of U.S. leadership in the international community. This is best demonstrated by his comments on the U.S. debt owed to the United Nations as well as the less than impressive ranking of the United States in terms of contributions to development work. The ranking of the U.S. is in itself not a great indication of a decline in leadership but, rather, helps us to see why the recognition of American leadership by other states in the post-Cold War international system has been brought into question. All of these statements combine to show us the perception that there is a strong inclination to return to isolationist policies. Whether or not this trend is as strong as it is perceived to be is less sure but we can clearly see that isolationism is a trend that raises concern among policy-makers as a threat to the leadership aspect of American hegemony.

**Perceptions of Information and Technology**

The final aspect of hegemony that we will examine involves the acquisition, communication, and accumulation of knowledge and information. More specifically, we are interested in whether or not there exists the perception that the U.S.’ hegemony is threatened by

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the technological advancements of information and communication technologies. We are essentially referring to the perception that a more limited ability to control the development and direction of areas such as cyberspace threatens continuing U.S. hegemony.

President Clinton states his belief in the contribution of information technology to American competitiveness in his June 1998 address to MIT graduates. His remarks not only stress the need to build and strengthen this industry, they also highlight the diminishing role of the U.S. state in this field. That is to say that, President Clinton’s remarks demonstrate that as access to information and technology has increased, the role of non-state actors such as multinationals has increased as well.

Today, I ask you to focus on the challenges of the Information Age. The dimensions of the Information Revolution and its limitless possibilities are widely accepted and generally understood, even by lay people. But to make the most of it we must also acknowledge that there are challenges, and we must make important choices. Already the Information Age is transforming the way we work. It’s transforming the way we live. It is transforming the way we learn. Small businesses are competing in worldwide markets once reserved only for powerful corporations. In just the past four years, information technology has been responsible for more than a third of our economic expansion. It all started with research, and we must do more. Today I pledge the resources and unrelenting efforts of our nation to renew our enduring values in the Information Age. But the challenges that we face cannot be met by government alone. We can only fulfill the promise of this revolution if we work together in the same way it was launched together, with creativity, resolve, a restless spirit of innovation. While this mission requires the efforts of every citizen, those who fuel and enjoy the unparalleled prosperity of this moment have special responsibilities. The thriving new companies that line Route 128 in Silicon Valley -- I challenge them to use their power to empower others. Many of you are doing such work already and many of them are; but
America needs all such companies to participate.  

This excerpt hints at some of the points brought out in our discussion of globalization in Chapter One. At the same time as he is pointing out the importance of information technology to economic expansion in recent years, President Clinton is also hinting at the prominent role of non-state actors in this industry. That is to say that, we can begin to see here the link between globalization and hegemony in that private groups, such as multinationals, are in a better position to guide the progress of the hi-tech industries. As markets are globalized and production is internationalized, the governing ability of the state is compromised. The President alludes to this in his comments pointing to the necessity of private sector leadership in the technological industries. This is much more pronounced in our next excerpt.

Shortly before delivering the speech from which the above excerpt was taken, the White House released a White Paper detailing the Clinton Administration’s Policy on Infrastructure Protection. This document essentially details the role of technology in the vulnerability of the U.S. to attack from hostile forces.

The United States possesses both the world’s strongest military and its largest national economy. Those two aspects of our power are mutually reinforcing and dependent. They are also increasingly reliant upon certain critical infrastructures and upon cyber-based information systems. Critical infrastructures are those physical and cyber-based systems essential to the minimum operations of the economy and government. They include, but are not limited to, telecommunications, energy, banking and finance, transportation, water systems and emergency services, both

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governmental and private. As a result of advances in information technology and the necessity of improved efficiency, these infrastructures have become increasingly automated and interlinked. These same advances have created new vulnerabilities to equipment failures, human error, weather and other natural causes, and physical and cyber attacks. Addressing these vulnerabilities will necessarily require flexible, evolutionary approaches that span both the public and private sectors, and protect both domestic and international security. Because of our military strength, future enemies, whether nations, groups or individuals, may seek to harm us in non-traditional ways including attacks within the United States. Our economy is increasingly reliant upon interdependent and cyber-supported infrastructures and non-traditional attacks on our infrastructure and information systems may be capable of significantly harming both our military power and our economy. Since the targets of attacks on our critical infrastructure would likely include both facilities in the economy and those in the government, the elimination of our potential vulnerability requires a closely coordinated effort of both the public and the private sector. In seeking to meet our national goal to eliminate the vulnerabilities of our critical infrastructure, therefore, the U.S. government should, to the extent feasible, seek to avoid outcomes that increase government regulation or expand unfunded government mandates to the private sector.99

There is a recognition here on the part of the Clinton Administration of a threat to the U.S. from technology. As technology has advanced and as government infrastructure has become increasingly automated, the vulnerability of the U.S., both from a military and an economic viewpoint, has also increased. We have already seen in our first chapter that the heightened level of competition from globalization in addition to the globalization of markets have both contributed greatly to the speed with which the technological industry has advanced. This is

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where we find the link between globalization and hegemony.

In his statement on telecommunications and economic growth, Alan P. Larson, Assistant Secretary for Economic and Business Affairs in the Clinton Administration, discusses some of the points already raised here.

Information technology has become the engine driving development throughout the economy. From manufacturing to agriculture, from insurance to entertainment, from banking to environmental protection -- computer, telephone, fax, cellular, and other telecommunications marvels of our era are spurring international economic growth. Advances in telecommunications technology will not be slowed by governmental deliberations over the Information Technology or a Basic Telecom Services agreements. At best, these deals can only help countries keep up with the changes industry and technology will continue to offer us. In an era of instantaneous global communications over a variety of media, regulatory authorities should now realize that their barriers do not keep outsiders out as they once could; in fact, the concept of the outsider is now an anachronism. What the barriers hurt, first and most lasting, is a country's own indigenous industry, which gets left behind by the inevitability of information technology's advances. Even developing or lower income countries have the opportunity to leap frog over the industrial revolution, and advance straight into the information, post-industrial age. Many have opted to use new information technology to spur their agricultural and other industries' growth, or have opted to enter the telecom industry itself as hubs providing instant foreign direct investment for their economies and, perhaps most importantly, jobs and training for their people.100

Assistant Secretary Larson's comments reiterate the President's remarks earlier on the importance of non-state actors in this field. Mr. Larson talks about the futility of government regulation in a field where the nature of the technology exceeds the ability of the government to do anything but

barely keep up. This excerpt also shows us the diminishing capacity of government as far as concerns the regulation of information technology and the difficulty of controlling the transfer of information and knowledge in an industry where transactions take place at the press of a button. As well, we see the link to globalization here in Assistant Secretary Larson's allusion to an increase in economic competitors due to the increased access to technology. With greater access, the U.S. faces greater competition from more sources.

Conclusion

We have examined the remarks of many different leaders in American society. In the end, we are left with the understanding that American hegemony is perceived to be threatened. Whether we are discussing the heightened competition of the global economy; the economic and political constraints affecting U.S. military commitments; the return to isolationism, or the explosive growth of information technology beyond the influence of the state; American policy-makers perceive the United States to be in jeopardy of losing its international preeminence. While many of these speakers still believe the U.S. to be one of the strongest actors in today's international system, they perceive the U.S. to be struggling to keep up with the demands of the era of globalization. This perception of struggle and decline due to the forces of globalization bring us to the third portion of our project: the nature and role of regionalism as a response to this perceived threat. We will tackle this topic in our next chapter.
THE PROMISE OF REGIONALISM

Introduction

Regionalism in the Western hemisphere has a long and uneven history. The United States has assumed many different roles within the Inter-American context throughout that history. It was not until the early 1980s, however, that the United States chose to play a stronger and more positive leadership role in the development of regional relations. As globalization deepened and the Cold War drew to an end, the United States emphasized its regional relationships in its foreign policy. By establishing its dominance in the region, the U.S. sought to secure the economic and leadership opportunities that were quickly dwindling in the new international order. This attitude would lead to the formalization of the Canadian-American relationship with a free trade agreement (CUFTA) brought into effect on January 1st, 1989. This would very soon lead to the negotiation of the North American Free Trade Agreement. Constructed on the foundations of the CUFTA, the NAFTA would expand the free trade zone established in 1989 to include Mexico by 1994. Before NAFTA came into place, however, the Enterprise for the Americas Initiative was announced as a blueprint for future relations in the Western hemisphere. The U.S. was making it clear that regionalism was to occupy a very central role in the prosperity of the United States during the era of globalization. Since its announcement, the negotiations leading to the signing of the Free Trade Area of the Americas (FTAA) agreement have continued to show the American commitment to realizing the benefits of regionalism in the Western hemisphere.

In our second chapter, we showed the perceptions of American leaders of a threat to continuing U.S. hegemony in the era of globalization. We looked at statements from Presidents,
members of the House of Representatives as well as the Senate, as well as other high ranking members of both past and present governments. It was clear from their statements that there does exist a perception among past and present American leaders and policy-makers of a threat to continuing hegemony from the forces of globalization. The task that is left to us now is to discover whether regionalism is perceived as a means of offsetting that threat. Having established how globalization appears to lead to a loss of control over the factors of hegemony in the first chapter, and the perception of a threat to continuing hegemony as a result of that loss of control in the second chapter, the aim of this third chapter is to examine the statements of American policy-makers and leaders to discover if regionalism is perceived as a way of resecuring control over the factors of hegemony thereby offsetting the perceived threat to American hegemony.

This chapter will begin by looking at the statements that deal with American policies toward the region. We will be looking to make the link between regionalism and hegemony. Again, we will focus on the statements of Presidents Reagan, Bush, and Clinton as well as members of their Administrations and members of Congress. It is important to note that U.S. policy choices are not limited to regionalism. That is to say that, the U.S. has pursued different policy choices among which we find, for example, regionalism and multilateralism.\textsuperscript{101} Regionalism may only be perceived as a means of resecuring certain factors of hegemony while other policy choices may be perceived to resecure other factors or to resecure them in different ways. As it is not our task to explore these other policy choices and their link to American hegemony, we will limit ourselves to discovering how the factors of hegemony are perceived to be resecured through

regionalism. In doing so, we will be able to see the nature of regionalism in the Western hemisphere as well as the role that regionalism is envisioned to play in the future of American hegemony. We will therefore be structuring this chapter around the major U.S. regional policies and agreements beginning with the CBI and ending with the FTAA.

Perceptions of the CBI

The Caribbean Basin Initiative was launched by the Reagan Administration at a time when it was becoming increasingly clear that the strength of U.S. hegemony was beginning to unravel. Below is an excerpt from a speech made by President Reagan concerning the economic challenges of the 1980s. He shows us not only that the economic strength of the U.S. was perceived to be diminishing but also that the solution to that decline was to create greater opportunities for economic growth and prosperity.

In dealing with our economy, more is in question than just prosperity. Ultimately, peace and freedom are at stake. The United States took the lead after World War II in creating an international trading and financial system that limited government’s ability to disrupt trade. We did this, because history had taught us the freer the flow of trade across borders, the greater the world economic progress and the greater the impetus for world peace. But the deterioration of the free world and the U.S. economies in the 1970s led to the decline of Western security and the confidence of the people of the free world. There can be no real security without a strong Western economy. And there can be no freedom unless we preserve the open and competitive international and financial system that we created after World War II. (T)he task is to find a way to integrate the developing countries into the liberal trading orders of lower tariffs and dismantled quotas. They must come to experience the full benefits and responsibilities of the system that has produced unprecedented prosperity among the industrial countries. We’ve taken the lead, proposing the Caribbean Basin
Initiative to encourage poor and middle-income countries to trade more, and we proposed a North-South round of trade negotiations to maintain expanding trading opportunities for more advanced developing countries. We seek to build a collective partnership with all developing countries for peace, prosperity and democracy.\textsuperscript{102}

The above passage demonstrates the President's resolve to strengthen regional relations in the Americas. A central component of this is economic renewal. The CBI is noted here as one of the ways that the U.S. is pursuing this economic renewal. In his statement, President Reagan shows us that increased trade and investment is the method that he perceives to be the most effective in dealing with the heightened level of competition in the international system. This takes us back to our discussion of globalization in Chapter One. We can begin to see the perception of regionalism as the means by which the U.S. can offset the perceived threat to its hegemony.

Later in the same year, President Reagan again spoke on the importance of creating trade opportunities in order to improve the performance of the American economy. In the following statement, the President picks up on the ideas expressed in our first excerpt.

I believe our challenge is to marshal the power of this country's best minds and create the technology that will restore America's economic leadership. I have appointed a Presidential Commission on Industrial Competitiveness, asking distinguished leaders from business, labor and academia to advise us on how best to strengthen our ability to compete in world markets. We believe the U.S. trade position would be strengthened by uniting many of this government's trade responsibilities under one roof. So, we proposed legislation to create a department of international trade and industry. We're also taking action to create opportunities for trade. Yesterday, I signed legislation to stimulate more trade and

opportunity - the Caribbean Basin Initiative. This package of incentives will establish new commercial relationships between the people of the Caribbean and the United States. Stimulating trade will mean new jobs for their citizens as well as ours. It underscores our belief that economic development based on free market principles is the key to helping our neighbours build a future of freedom, democracy and peace.  

The President clearly places a great deal of importance on the expansion of trade in his foreign policy objectives. In particular, we can begin to see an emphasis on trade expansion in the region in the President’s remarks on the CBI. By creating a situation where the U.S. was in a position to influence the states of the Caribbean basin to develop a more open market philosophy and to adopt more democratic principles of government, the United States would be better able to create a regional and international economic system most favourable to American economic growth and prosperity.

In 1989, the Congress moved to expand and renew the CBI in order to continue to benefit from this regional relationship. The remarks of former Representative Gibbons in his introduction of the legislation take the sentiments that we have already seen one step further. We can also see in these remarks the link between the heightening level of competition from globalization and President Reagan’s commitment to the expansion of trade in the region. The President’s remarks above demonstrate that the CBI was intended to play an important role in the policy plan for trade expansion and economic growth. The following excerpt addresses the introduction of the CBI II legislation. The CBI II was intended as an extension of the CBI. This excerpt shows us that the

Caribbean basin was perceived to be of great strategic and political importance to the United States.

Mr. Speaker, today I am introducing, with a bipartisan group of my House colleagues, an important piece of trade legislation designed to expand and improve the Caribbean Basin Initiative or CBI Program. The legislation, entitled the Caribbean Basin Economic Recovery Expansion Act of 1989 and more commonly referred to as CBI-II, would expand the current duty-free treatment for imports from the region and extend trade benefits on a permanent basis in order to promote a stable climate for expanded investment. As my colleagues are aware, the Caribbean Basin is a crucial region to the United States, and its political and economic stability is a key component of our foreign and national security. We need to build confidence in the region, create greater business certainty, and provide a long-term positive investment climate. I believe this is a good bill that will foster economic development of the Caribbean and thereby promote political stability in the region.104

Former Representative Sam Gibbons, Rep., 7th district, Florida, places a great deal of emphasis on creating a politically and economically stable environment for expanded trade and investment within the region. The CBI II was perceived to be the best method of doing just that. I believe that the following passage from section II (titled Congressional Findings) of the CBI II legislation also conveys the importance that the region represented to the United States and its interests.

Section 2 contains findings of the Congress that a stable political and economic climate is necessary for the development of the Caribbean Basin and for U.S. security and economic interests, and that the U.S. commitment to the development of that region should be reaffirmed and strengthened by improving the operation

of the Caribbean Basin Economic Recovery Act (CBI).105

Together with former Representative Gibbon’s remarks, the passage from section II of the CBI II bill shows the perception of the importance of the region. This is demonstrated in the perception that trade expansion and adoption of the principles of American government were the best ways of supporting American leadership and interests in the Caribbean. This takes us back to our discussion of regionalism in Chapter One. The above excerpt reaffirms our assertion that maintaining American leadership in the region is important to maintaining American hegemonic interests.

In 1989, President Bush remarked in a memorandum to the Vice President and the Cabinet on the importance of the CBI to the prosperity of the United States.

The Caribbean Basin Initiative (CBI) provides important trade and investment benefits to our friends and neighbours in Central America and the Caribbean. This is an area of major strategic importance to the United States. This Nation's security and prosperity depend in large measure on continued progress toward democracy and economic development in that region.106

It is clear from the President’s remarks that the CBI was perceived to be an important step in securing the prosperity of the United States in the international system. The CBI clearly dealt with resecuring the economic and leadership factors of hegemony in that it sought to expand trade


and investment that would increase American economic competitiveness in the global economy as well as to solidify American leadership in the region. While it also shows us the growing emphasis on the Western hemisphere in U.S. foreign policy, we need to look at further regional agreements to discover how regionalism is perceived to be the means for resecuring all of the factors of hegemony.

*Perceptions of the ATPA*

In 1990, President Bush announced the Andean Trade Preference Act (ATPA). This legislation was constructed using the CBI as its model. An expansion of their search for greater trade and investment opportunities, the ATPA also looks at security issues and the promotion of democracy and political freedom in the hemisphere. This bill was a piece of the regional puzzle that the United States had begun to build with the CBI and that was formalized through the Enterprise for the Americas Initiative which we will examine here later. The ATPA heralded a new relationship between the U.S. and the Andean nations; among which we find the largest drug producing and trafficking nations in the hemisphere. The following selection, taken from testimony given before the Committee on Appropriations in the U.S. House of Representatives, shows the perception that the well-being of these nations, along with the rest of Latin America and the Caribbean, were of vital importance to U.S. competitiveness in the global economy.

These two regions of our hemisphere are each, in different ways, of vital strategic, political, and economic importance to the United States. The Caribbean is geographically close to our shores and an increasingly important trading partner for the United States. Many U.S. manufacturers, especially in textiles and electronic components, are increasingly finding that a cooperative
manufacturing arrangement with the Caribbean enables them to compete more effectively with producers in other regions of the world. This often saves U.S. jobs from losses due to competition from the Far East, or at times leads to creation of new jobs in the United States by increasing our competitiveness. In South America, the United States also has important economic, political, and strategic interests. The area is close to the United States, is the source of a number of strategic commodities, and the political leadership of the region plays a leadership role in the Third World. South America is also a major purchaser of U.S. exports. \(^{107}\)

The above passage demonstrates the understanding that the ability of the United States to resecure its economic prosperity by maintaining its international competitiveness is aided by establishing a politically and economically stable link with Latin America and the Caribbean. By increasing their competitiveness through the creation of a stronger political and economic relationship with the region, the U.S. begins to deal with the perceived threat to its economic prosperity.

In 1987, the Assistant Secretary of State for Inter-American Affairs in the Reagan Administration made comments that help us to understand the mind set of American policy-makers going into the negotiation of the ATPA. Assistant Secretary Abrams’ remarks show us the perception of the importance of creating a formal and stable relationship with the states of Latin America and the Caribbean in order to secure the economic prosperity of the United States and deal with the effects of globalization.

We cannot effectively deal with the challenges to our interests in other parts of the world if we are unable to cope with

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problems in nearby areas of great strategic importance. Without adequate economic aid to assist several of these democratic countries to recover and realize the economic betterment of their people, the odds for sustaining democracy will become much less favourable. Moreover, we firmly believe that we cannot afford the loss of our hemispheric markets tomorrow through failure to stimulate development of viable trading partners today.\(^{108}\)

The Assistant Secretary’s statement shows us his perception that if the United States does not take a more active role in assuring the success of the region, the loss of markets in the future will prove a difficult hurdle for the U.S. economy to overcome. The ATPA and CBI were intended to start this process of securing markets and creating a strong relationship between the United States and its neighbours to the South. The ATPA was modelled around the CBI and motivated by the spirit of the EAI announced by President Bush shortly before the tabling of the ATPA legislation. Let’s look a little closer at the remarks of President Bush on the launching of the ATPA bill.

This legislation we’re sending up follows through on our Cartagena summit agreement to offer special measures of assistance to the Andean countries. And it provides trade preferences patterned along the lines of the extremely successful Caribbean Basin Initiative -- CBI legislation. It’s the second piece of legislation affecting our hemisphere that we’re sending to Congress in a month. The idea behind this legislation is to give the countries an extra boost. It’s designed to complement our proposals on trade, investment, and debt under the Enterprise for the Americas Initiative by providing a special 10-year access to the U.S. market. When this legislation comes into force along with the Enterprise legislation, our arsenal against drugs will expand to include the following: economic development assistance; police and military assistance for interdiction; investment in debt measures; and finally,

trade preferences.\textsuperscript{109}

The ATPA and CBI were a first step in the development of an hemispheric wide free trade zone.

The President’s comments above demonstrate his belief that in pursuing regionalism, the United States would secure for itself a greater competitive edge and greater security; both which would greatly aid in resecuring the factors of hegemony in the new global order.

\textit{Perceptions of the CUFTA and the NAFTA}

The late 1980s and early 1990s saw two regional initiatives come into place for the Northern half of the Western hemisphere as well. Canada and the United States announced their intention of signing a free trade agreement that would formalize an already extensive relationship. The following comments by President Reagan show not only the uniqueness of this relationship but also the expectation that this agreement would bring greater opportunity for trade and investment.

The people of the United States and Canada have had a long and harmonious friendship that is the envy of the world. Now, in addition to sharing the world’s longest undefended border, we will share membership in the world’s largest free trade area. This agreement will provide enormous benefits for the United States. It will remove all Canadian tariffs, secure improved access to Canada’s market for our manufacturing, agriculture, high technology and financial sectors, and improve our security through additional access to Canadian energy supplies. We have also gained important investment opportunities in Canada and resolved many

vexing trade issues. It will strengthen the bonds between our nations and improve the economic performance and competitiveness of both countries.\textsuperscript{110}

The President shows his perception that pursuing this agreement will increase the economic competitiveness and prosperity of the United States. This brings the U.S. one step closer to resolving the perceived effects of globalization on American hegemony on the economic and leadership fronts as echoed by our work in Chapter One. The need to increase the performance of the American economy and improve their competitiveness is a theme that is repeated again and again as we turn to the perceptions of leaders and policy-makers on NAFTA.

The Canada-U.S. relationship was extended to include Mexico a few years later through NAFTA; an agreement constructed in the image of the CUFTA. By examining the comments on this trilateral association we will see the importance of Canada and Mexico and the trade and investment opportunities that they would bring to the United States. In 1992, in his remarks to the Forum of the Americas, President Bush conveyed the vitalness of the region of North America to creating better opportunities for the United States in the very competitive environment of globalization.

\textbf{Make no mistake: Political and economic freedom are linked; they are inseparable. And just as people have a God-given right to choose who will govern them, they also must be free to make their own economic choices. When we lift barriers to economic freedom within and among our countries, we unleash powerful forces of growth and creativity. Our stand is clear; my stand is clear: Open trade is vital to this country, to the United States, and every bit as vital as domestic reforms to renew our

system of education, health care, government, and administration of justice. Trade with Mexico already supports hundreds of thousands of U.S. jobs. A North American free trade agreement would create thousands more. It would create competitive efficiencies and economies of scale that will help American companies compete in world markets.111

President Bush very clearly demonstrates his belief that a free trade zone in North America would inspire economic growth and competitiveness for the United States. In his remarks, he notes the high level of economic exchange already taking place between these states when he mentions the high number of jobs that exist because of trade with Mexico. President Bush shows not only that he believes that a formal free trade alliance will provide opportunities for trade and investment but also that the competitive nature of world markets is such that NAFTA is a necessary step in order for these states to keep pace with other players in the international system.

This sentiment was again expressed by President Bush in 1992 upon completion of the negotiations for NAFTA. The following remarks show the President’s belief in regionalism as a means of keeping the United States competitive in the global economy.

This historic trade agreement will further open markets in Mexico, Canada, and the United States. It will create jobs and generate economic growth in all three countries. Increased trade with North America will help our Nation prepare for the challenges and opportunities of the next century. The cold war is over. The principal challenge now facing the United States is to compete in a rapidly changing, expanding global marketplace. This agreement will level the North American playing field, allowing American companies to increase sales from Alaska to the Yucatan. By sweeping aside barriers, NAFTA will make our companies more competitive everywhere in the world. We've seen this happen with

the U.S.-Canada Free Trade Agreement, and we'll see it even more
with the NAFTA. Open markets in Mexico and Canada mean more
American jobs. Our Nation is the world's leading exporter, well
ahead of Japan and Germany. Today over 7 million Americans are
hard at work making products that will be sold around the world.
Export-related jobs pay 17 percent more than the average U.S.
wage. These jobs are the kind that our Nation needs to grow and
prosper, the kind that showcase American talent and technology.
With NAFTA we're moving forward with our trade strategy. Trade
is part of my long-term economic growth plan to create more
opportunities for all Americans. In a changing world, we must give
our workers the education and skills they need to compete and
assistance and training to find good jobs. I've said many times:
Level the playing field and the American worker can outthink,
outproduce, and outwork anyone, anytime.\textsuperscript{112}

The President's remarks acknowledge both the realities of "a changing world"\textsuperscript{113} as well as the
promise of the region of the Western hemisphere. They also show the role of regionalism as a
means of securing a preponderant level of economic prosperity that will help the United States to
deal with the competitiveness of the era of globalization. This is demonstrated when President
Bush talks about creating a level playing field for American companies. Again, this takes us back
to our theoretical discussion in Chapter One where we noted in the literature that regionalism in
North America is a strategy being employed to increase the economic competitiveness of the U.S.
in order to maintain its hegemony.

The value of regionalism as a means of securing more opportunities during the era of
globalization is a theme that can be found among members of Congress as well. Former

\textsuperscript{112}President George Bush, "Remarks Announcing the Completion of Negotiations on the
North American Free Trade Agreement", (August 12\textsuperscript{th}, 1992),

\textsuperscript{113}Bush, "Remarks Announcing...",  
Representative Jack Fields, Rep., 8th district, Texas, expressed his perception that NAFTA and regionalism were very important steps in ensuring the continuation of American hegemony.

Mr. Speaker, I rise today to join my colleagues in support of the rapid conclusion of a free-trade agreement with Mexico. This is an excellent opportunity for America. One that must be actively pursued, not wasted. We must do more than react to world changes. To retain our position in the world, and meet the responsibilities that accompany this position, the United States must plan to meet future changes. The United States must anticipate the future, and plan accordingly. A reactive government falls behind; 1992 will bring yet another new world order. It will bring EC 1991—the final integration to form the European Community. This will create the world's largest commercial and trading unit, with 12 countries, 320 million people, an annual gross domestic product of over $4 trillion, exports of $680 billion, and imports of $720 billion. EC 1992 will present a new challenge for the United States. We must see it as it is—as an opportunity and a challenge. This is only one of the many reasons my colleagues and I are presenting today to support our call for the timely conclusion of a free-trade agreement between the United States and Mexico. America must plan to confront the challenge of EC 1992. A free-trade agreement with Mexico combined with our free-trade agreement with Canada and future proposals to include the entire Western Hemisphere will prepare the United States to be an active leader in the years to come.114

This Representative’s remarks make it very clear that he perceives regionalism to be a very important initiative for the United States. Mr. Fields notes two things in particular that it is important for us to highlight. First, he makes the link from the regionalization aspect of globalization to continuing U.S. hegemony to regionalism in the Americas. Most particularly, he mentions the EC and the importance of remaining strong economically so as to retain American

114Representative Jack Fields, Rep., 8th district, Texas, “Free Trade Agreement Between the United States and Mexico”, Congressional Record (Extension of Remarks), (Saturday, October 27th, 1990), http://thomas.loc.gov/cgi-bin/query/D?r101:45::temp/~r101AZ8rD9::.
leadership in the international system. This is a point that we discussed in Chapter One. Second, the Representative hints at future regional projects in the hemisphere stemming from the success of CUFTA and NAFTA. Perhaps more importantly, he believes that future regional successes will be instrumental in maintaining the U.S. as an international leader.

In these opinions, former Representative Fields is joined by former Senator Alan K. Simpson, Rep., Wyoming. Senator Simpson perceives NAFTA to be the instrument of America’s future prosperity in an highly competitive international environment.

I rise today to commend the President and the U.S. Trade Representative Carla Hills for the successful negotiation of the historic North American Free Trade Agreement. This historic agreement is an opportunity for our great country to solidify its position in the vast global economic marketplace. It is the first step toward building a stronger America for the future. The world has become a global village. This agreement is about opening new doors—doors to future economic growth. We must think about what we want the American economy to look like in the future. We must broaden our economic horizons in order to create new opportunities and revitalize our economy.115

Senator Simpson expresses in the above excerpt the view that regionalism is the means by which the United States will achieve greater prosperity and maintain its stature in the international system. This echoes the sentiments of the other remarks that we’ve already seen here.

Earlier in 1991, Representative Rohrabacher, Rep., 42nd district, California, discussed his perception of the importance of the NAFTA and free trade in general for the United States in order to deal with the competitiveness of the global economy.

American supremacy can no longer be taken for granted; it must be earned. Our prosperity and national well-being will be determined to no small degree on international commerce and how we fare in a time of global competition. If we adopt a defensive stance, opting to protect the status quo, rather than preparing ourselves to meet new challenges and seize emerging opportunities, we will be outmaneuvered, outproduced, isolated, and left behind. A fact of life coming into focus is that no nation can expect to remain a major economic force on this planet with protected markets and subsidized industries. Liberalized trade spurs growth, increases productivity, raises living standards. With the U.S. economy suffering under the weight of recession, nothing could be healthier than the increased export and import of goods and services. The growth in exports in turn spurs investment. Whether initiated domestically or from a foreign source, investment is a positive force that adds to our economic capacity and serves to modernize our industrial base. (T)he establishment of a North American free-trade area, encompassing Canada, the United States, and Mexico, will bring together the combined power of our three economies, including some 360 million consumers and total output of $6 trillion, and create the world's largest market. Our 1988 free-trade agreement with Canada was the key that unlocked the door. A continent-wide free-trade area will not only unleash new wealth-creating enterprise in our three countries, but will assist us in competing in a global economy where there is already an active trade bloc in Asia, and Europe's version is scheduled to come online in 1992. If there is no greater power than an idea whose time has come, it is time for the United States, Mexico, and Canada to tear down the barriers to trade and commerce among our peoples. In doing so our nations will create jobs, increase productivity, stimulate investment, and elevate the living standards of all our people.  

Representative Rohrabacher's comments show us very clearly his perception of free trade as the only means through which the United States can attempt to retain its international strength. He

116Representative Dana Rohrabacher, Rep., 42nd district, California, “Free Trade: The Path to Prosperity”, Congressional Record 137, no. 78 (May 20th, 1991), http://thomas.loc.gov/cgi-bin/query/D?r102:1./temp/~r102dlQRfR:e0:.
discusses trade and investment both in general terms as well as in terms of the NAFTA. The member plainly expresses his support for this agreement. Also, the Representative makes the link between the continuation of “American supremacy”\textsuperscript{117}, as seen in the excerpt above, and free trade. He shows us in his remarks that he believes that the NAFTA is a strongest strategy for realizing the benefits of free trade. The Representative also notes the impact of regionalization on American hegemony in his references to growing regional economic blocs in Europe and Asia. As well, he ends his comments with an affirmation of his belief in backing away from isolationism and remaining strong internationally as the best means of counteracting the impact of regionalization.

\textit{Perceptions of the EAI}

Before the NAFTA came into being, President Bush announced the Enterprise for the Americas Initiative. This program outlined the intention of the United States to negotiate an hemispheric free trade zone. Also, the EAI laid out the foundation for the negotiation of the NAFTA and framework trade agreements between the United States and every other state in the hemisphere with the exception of Cuba. More importantly, the EAI was intended as a road map leading to the negotiation of the FTAA. This is where the possibility of hemispheric free trade was formally recognized for the U.S. The announcement of the EAI shows us more than anything else the role that regionalism was growing to occupy in American foreign policy. In his announcement of the EAI in 1990, President Bush demonstrates his perception of the importance of increased trade and investment in the region as well as the importance of the region itself in the

\textsuperscript{117}Rohrabacher, “Free Trade…”, http://thomas.loc.gov/cgi-bin/query/D?r102:1:./temp/~r102dIQRfR:e0:.
future prosperity and growth of the United States.

In the past 12 months, every one of us, from the man in the White House to the man on the street, has been fascinated by the tremendous changes, the positive changes, taking place around the world. Freedom has made great gains not just in Eastern Europe but right here in the Americas; and we've seen a resurgence of democratic rule, a rising tide of democracy, never before witnessed in the history of this beloved hemisphere. For the United States, these are welcome developments, developments that we're eager to support. Our challenge in this country is to respond in ways that support the positive changes now taking place in the hemisphere. We must forge a genuine partnership for free-market reform. All signs point to the fact that we must shift the focus of our economic interaction towards a new economic partnership because prosperity in our hemisphere depends on trade, not aid. To expand trade, I propose that we begin the process of creating a hemisphere wide free trade zone; to increase investment, that we adopt measures to create a new flow of capital into the region; and to further ease the burden of debt, a new approach to debt in the region with important benefits for our environment. The comprehensive plan that I've outlined is proof positive the United States is serious about forging a new partnership with our Latin American and Caribbean neighbours. We're ready to play a constructive role at this critical time to make ours the first fully free hemisphere in all of history.\textsuperscript{118}

The President shows us here that he believes the future of the U.S. to be very much linked to the other states in the region of the Western hemisphere. He talks about achieving economic growth and creating a new partnership to ensure that growth. He also mentions all of the changes that have taken place on the international stage that make this step so vital. It is very clear in these remarks that the region is believed to occupy a very central place in the ability of the United States to continue to grow and to be competitive economically.

\textsuperscript{118}President George Bush, "Remarks Announcing the Enterprise for the Americas Initiative", (June 27\textsuperscript{th}, 1990), http://www.csdl.tamu.edu/bushlib/papers/1990/90062702.html.
One year earlier, President Bush also expressed his belief in the importance of regionalism as a means of increasing the competitiveness and growth of the United States in his remarks to the Council of the Americas. The statement below demonstrates that the President believed that without economic growth and progress toward freedom and democracy, investment within the region would decrease thereby undermining the efforts of the U.S. to maintain their economic prosperity.

A commitment to democracy is only one element in the new partnership that I envision for the nations of the Americas. This new partnership must also aim at ensuring that the market economies survive and prosper and prevail. The principles of economic freedom have not been applied as fully as the principle of democracy. While the poverty of statism and protectionism is more evident than ever, statist economies remain in place, stifling growth in many Latin nations. And that is why the U.S. has made a new initiative to reduce the weight of the debt, as Latin governments and leaders take the difficult steps to restructure their economies. Economic growth requires policies that create a climate for investment -- one that will attract new capital, one that will reverse the flight of capital out of the region.\footnote{President George Bush, “Remarks to the Council of the Americas”, (May 2\textsuperscript{nd}, 1989), http://www.csdl.tamu.edu/bushlib/papers/1989/89050200.html.}

President Bush highlights the importance of not allowing capital to continue to leave the region. The EAI was clearly an attempt to take better advantage of the economic opportunities in the region. This helps us to see the President’s perception of the link between the economic prosperity of the U.S. and regionalism in the Americas.

In a discussion on the inclusion of Chile into the NAFTA, Representative Jim Kolbe, Rep., 5\textsuperscript{th} district, Arizona, shows us his agreement with the remarks of President Bush above. It is clear
from his remarks that this member of Congress believes that the EAI was a necessary step in continuing to ensure the economic growth and prosperity of the United States.

(W)e are currently involved in historic negotiations with the Governments of Mexico and Canada to form a North American free-trade zone. This zone will form the largest open economic market in the world. But even with this development, our work is not done. (I)t is the policy of this Government that free and open trade is a benefit to all who accept it. I concur with a recent statement by Commerce Secretary Robert A. Mosbacher: Countries that seize the opportunities created by economic cooperation will deliver rising standards of living to their citizens. Countries that do not are in danger of being left behind. Most other nations of the world now agree with this view. And in our own hemisphere, the view that open markets do indeed create a tide of economic prosperity that lifts all boats is nearly unanimous. With the exception of Cuba, every Central and South American nation has signed a framework agreement with the United States to explore options for trade liberalization. These framework agreements are the first vital step in President Bush’s Enterprise for the Americas Initiative [EAI] that will eventually spawn open markets from Alaska to Tierra Del Fuego. The EAI is built on the three pillars of trade liberalization, lessening of investment restrictions, and the reduction of outstanding debts. However, the EAI goes well beyond simple trade liberalization. As President Bush has said, ‘The EAI can link our nations with their diverse cultures, work forces and creative forces.’

Representative Kolbe’s remarks demonstrate his perception that the EAI was a positive step forward in ensuring better trade and investment opportunities for the United States. He talks about the fear of being left behind in the new world order if the benefits of regionalism are not pursued. These comments help to lead us into our discussion of the negotiation of the FTAA; an

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129 Representative Jim Kolbe, Rep., 5th district, Arizona, “Free Trade Agreement With Chile”, Congressional Record (Extension of Remarks), (Friday, August 2nd, 1991), http://thomas.loc.gov/cgi-bin/query/D?r102:7::/temp/~r1024dpHt5:e0::
agreement slated to come into effect by the year 2005.

Perceptions of the FTAA

As we tackle the statements made by American policy-makers with regard to an hemispheric free trade agreement, we need to look first at the foreign policy objectives of the Clinton Administration for the Western hemisphere as they demonstrate very aptly the perception that regionalism is the solution to America's hegemonic problems. President Clinton, like other policy-makers we've examined here, places a strong emphasis on the freeing of trade within this region. His Administration's objectives in pursuing regionalism have been very clearly laid out in some of the statements from members of the Department of State. The statement of Assistant Secretary for Inter-American Affairs in the Clinton Administration Jeffrey Davidow in July of 1997 states explicitly the objectives of the United States in pursuing regionalism in Latin America.

Our policy toward Latin America is derived from three basic objectives established by the President and the Secretary of State for our overall foreign policy: First, to keep the United States economically strong, internationally competitive and prosperous, and to preserve its position as the hub of an expanding global economy. Secondly, to preserve and advance freedom by promoting the principles and values upon which this nation's democracy and identity are based. Third, to establish a framework of cooperation that protects our citizens and our friends from the new transnational threats of environmental degradation, narcotics trafficking, migrant smuggling, terrorism, and international crime.121

Within the three objectives listed in Assistant Secretary Davidow's testimony given before the

Trade Subcommittee of the House Ways and Means Committee, we can see the perception among foreign policy makers and the President that the prosperity and success of the hemisphere directly affects the prosperity and success of the United States in the era of globalization. This excerpt echoes the arguments that we saw in Chapter One. Assistant Secretary Davidow shows us that regionalism is perceived to be the means by which the United States can remain "economically strong, internationally competitive and prosperous"\(^{122}\), as seen in the comments above. Also, he mentions that regionalism is intended to help the United States to maintain its international hegemony by keeping it competitive in the global economy. As well, this policy-maker talks about the creation of a "framework of cooperation"\(^{123}\) in matters of regional security. This helps us to see how regionalism is perceived as a way for the U.S. to share some of the burden of its security commitments without having to withdraw itself militarily from the international scene. We can see very clearly that American leaders and policy-makers not only have a political agenda for the region but also that they perceive their international strength and leadership to be intimately tied to the success of that agenda.

Later, in the same testimony, Assistant Secretary Davidow refers more particularly to the negotiation of the FTAA as the foreign policy choice of the United States that best represents American interests.

(T)he FTAA will contribute strongly to the new cooperative framework between the United States and Latin America. Economic vitality is indispensable to protecting the environment for future generations and waging an effective fight against illegal


migration, the drug trade and other forms of transnational crime. Without broadly-shared growth, citizens' trust in their governments and institutions deteriorate, state legitimacy erodes, the rule of law weakens and social ills propagate. The growth and opportunities provided by the FTAA will put a strong new weapon in the hands of those Latin American leaders who want to work cooperatively with us in addressing these problems. We have major strategic and economic interests in the countries of Central America and the Caribbean, which are among our closest neighbours and with whom we share many historical and social ties. Providing these countries with improved access to the U.S. market will stimulate increased trade and growth in their economies, which in turn will provide new opportunities for U.S. exports and investment, and protect our other interests in the region. (P)olitical and economic leadership are inextricable in today's world. If we lose our ability to lead in the trade arena, we will increasingly lose our influence strategically, politically, and in other spheres of international relations.\textsuperscript{124}

Assistant Secretary Davidow makes note of some of the different security and economic aspects that make prosperity and freedom in the region such important concepts for the United States.

His statement shows us his perception of the FTAA as an agreement that will cement the competitiveness of the United States in the global economy as well as address the sharing of security commitments and humanitarian concerns.

Early in 1998, Secretary of State Madeleine Albright delivered a speech in which she discussed the future of the hemisphere. The states of the Western hemisphere are more highly linked now than ever before because of the nature of globalization. This is a point that we discussed in our first chapter when we looked at regionalization and interdependence. This makes it vital for the United States to ensure the collective prosperity of the hemisphere. This collective prosperity is being pursued through the Summit of the Americas conferences and the negotiation

of the FTAA.

(B)ecause of sacrifices made by our parents and their generation, we not only ended the Cold War peacefully, but began a process that is bringing nations everywhere closer together around basic principles of democracy, open markets, law and a commitment to peace. Our task, as we prepare for the new century, is to continue that process and accelerate it. For the revolution in communications and technology has made the world smaller. Today, we all have a stake in the global economy and marketplace. (W)e are learning that, more and more, what happens anywhere will matter everywhere. I wanted to talk with you today about where the Americas fit into the international system of democracy, free markets and law that we are building. This attention is warranted not only by proximity of geography, but by proximity of values. This spring, the hemisphere's democratic leaders will gather in Santiago, Chile. They will build on the summit held three years ago here in Miami, where they spelled out a common vision for a hemispheric community of nations. (E)fforts are underway to create a Free Trade Area of the Americas, or FTAA, by the year 2005. Latin America and the Caribbean are home to half a billion people. This matters to the United States because the region's markets are growing and they buy what we sell. So a Free Trade Area in this hemisphere would be good for U.S. workers, good for U.S. business, and good for U.S. interests. The Free Trade Area will be one of many subjects on the agenda when in Santiago when our leaders chart a course that will take the Americas into the 21st century.125

The Secretary’s remarks show us her perception that globalization has changed the world of international relations so that the level of interdependence is much higher. This is something we brought out in our discussion of globalization in Chapter One. Also, her perception of regionalism as an important means of assuring continued American success in that world of

international relations is notable. Of particular interest in her statement is the Secretary's comments about how regionalism is important as a means of preparing the U.S. to better handle the demands of the new world order. This is because of how information and communication technologies have made the world smaller, as worded by Secretary Albright above. This takes us back to our discussion of the diminishing sense of territoriality and geography that advancing technologies have inspired as well as the increasing level of interdependence between states in dealing with the competitive environment of globalization. Regionalism obviously plays a large role in the Secretary's perception of the future of the United States.

The belief in hemispheric regionalism as the solution to the threat to continuing hegemony can also be seen in the House of Representatives. Representative Doug Bereuter, Rep., 1st district, Nebraska, made his sentiments clear in the following statement.

The simple truth is that the United States, and the American people, have no good economic choice but to push for expansion of NAFTA gradually and appropriately to the entire Western Hemisphere or risk being excluded from a rapidly liberalizing world economy. Economic integration and trade liberalization is occurring in nearly every part of the world including Europe, Asia, and South America. Clearly, the United States will suffer economically, politically, and strategically if it chooses to isolate itself from global and regional trade liberalization efforts. History is replete with examples of countries, like China, who turned inward instead of facing the difficult but necessary challenges of adapting to new circumstances, and therefore greatly suffered. With only 250 million people, the United States cannot afford to refuse to trade with emerging markets in the world's developing countries. Mr. Speaker, this Member strongly believes Americans can compete to sell their innovative products and services anywhere in the world provided they are given a fair and equal opportunity without excessive government interference. Consequently, I vigorously oppose unilaterally surrendering these future markets to our industrialized competitors in the Asia and Pacific region and in
Western Europe by isolating ourselves from regional and global economic liberalization. Accordingly, this Member urges his colleagues to support free-trade agreements, such as an enlarged NAFTA, which help ensure that American exporters will be able to compete on a level playing field.\textsuperscript{126}

Representative Bereuter makes his perceptions very evident. If the United States does not pursue regionalism in the Western hemisphere, they will lose markets and opportunities that they can not afford to lose in such a highly competitive environment as the global economy. The member alludes to the inability of the United States to remain competitive if the global “playing field”\textsuperscript{127}, as he describes it in his remarks above, is made lopsided by the acceptance and pursuit of trade agreements between the developing countries of the Western hemisphere and the other economic powers in the international system. By taking an active role in developing hemispheric relations, the U.S. can better benefit from the new international system and not have to abandon its stature in the international community to other rising actors.

Finally, this last excerpt, taken from a speech delivered by President Clinton in 1994, shows us the commitment of the President to pursue hemispheric relations in the belief that it will be of great economic, political, defensive, and humanitarian benefit to the United States. The sense of interdependence mentioned by President Clinton here is one of the motivating factors that we examined in our discussion of the FTAA in Chapter One. Also, the President makes it clear

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\textsuperscript{126}Representative Doug Bereuter, Rep., 1\textsuperscript{st} district, Nebraska, “Support an Enlarged NAFTA to Ensure Competitiveness of American Exporters”, \textit{Congressional Record} 141, no. 166 (Wednesday, October 25\textsuperscript{th}, 1995), http://thomas.loc.gov/cgi-bin/query/D?r104:14::/temp/~r104gviEqk:..
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that unless the U.S. branches out in terms of trade and investment, their influence in the international system will diminish and threaten the prosperity of the United States.

The pressures of the global economy are relentless and dynamic. And government can help to deal with them, but it cannot reverse them. Our economic strategy embraces change and prosperity, growth and security. We are pursuing this strategy because it promotes peace and prosperity around the world, but also because it is clearly in the interest of our working people and their families. It's a strategy that enables the United States to keep leading the fight to open markets worldwide; a strategy to promote free trade and the growth that undergirds democracies and helps to ensure peace; a strategy to help every American, family, every American worker, every American farmer, benefit from the world-wide growth and the prosperity it will yield. Long before the Cold War was over, a new global economy was emerging — an economy which started 20 years ago to put great pressures on the wages and benefits of our working people, to put great pressure on many of our companies to compete and win, to make internal changes in order to survive and prosper. For decades, our sights have been set on traditional economic relationships, the large, mature economies of Europe and Japan. (T)he new century demands a new strategy, and it is clear that they young, vigorous economies of Asia and the Western Hemisphere offer enormous untapped potential for our people to prosper. One month from now, leaders from South and Central America, the Caribbean and North America will be in Miami at our invitation to discuss the future of our hemisphere and to celebrate the spread of freedom and democracy. There, we'll be able to work to strengthen the roots of those democracies through sustainable development, we'll be able to take crucial steps to increase trade, to maintain growth in the region, to lay concrete plans to open markets, to expand trade. It means more jobs and higher incomes. It also means more peace, more freedom and more security. (T)he Summit of the Americas will move us toward a future of greater prosperity.128

The President's speech demonstrates his perception that regionalism needs to be taken seriously as the key to the future prosperity of the United States. President Clinton points to the threat to the American hegemonic state that globalization has inspired when he discusses the difficulties experienced by the U.S. in terms of employment and living standards over the last twenty years. His solution to this problem is to turn to regionalism so as to promote economic growth and the adoption of American principles and values thereby helping the U.S. to maintain its stature in the international system.

Conclusion

In this third chapter we have seen the statements of many American leaders and policy-makers extending from the early 1980s to the late 1990s. There is a common thread that unites all of them. All of the comments that we've seen show a commitment to regionalism as a means of securing new opportunities for the U.S. and its hegemony. We've already seen in Chapter One how regionalism could be perceived to respond to the perceived threat to U.S. hegemony. Our work in this third chapter supports those assertions. We've also seen here how the aspects of globalization, such as a heightened level of international economic competition, are linked to hegemony and regionalism. Whether or not the opportunities provided through regionalism will succeed in aiding the United States to maintain its hegemony is not certain, but it is clear that the leaders and policy-makers that we have seen here believe that regionalism is one of the best solutions available to the U.S. to preserve its hegemony.
CONCLUSION

We have examined each of the three sections of our hypothesis and now need to determine whether or not the evidence that we have uncovered here supports such a statement. To reiterate, our hypothesis is the following: as globalization leads to a loss of control over the factors of hegemony, American leaders and policy-makers perceive continuing U.S. hegemony to be threatened, and therefore, U.S. policy-makers perceive regionalism as a strategy intended to regain control over the factors of hegemony and offset the perceived threat to U.S. hegemony.

Let’s look briefly back over our work. In the first chapter, we took up a theoretical explanation of our hypothesis. We established the first section of our hypothesis through our discussion of globalization and how it inspires a loss of control over the factors of hegemony. As globalization developed, the factors that make up our definition of hegemony (economic prosperity, military capabilities, leadership role, control over information) become more difficult to secure. This is how globalization causes the perception of a threat to American hegemony. This point of our hypothesis was examined in greater detail in our second chapter.

In that chapter, we built on the theoretical work of the first chapter and examined the statements of American leaders and policy-makers as regards the perception of a threat to American hegemony. What we found was a perception that the United States is in serious danger of losing its stature as hegemon in certain areas. In terms of the economic aspect of hegemony, the statements that we examined showed us that the U.S. is perceived to have been struggling to maintain a preponderant level of economic prosperity as understood by our definition of hegemony. A slow-to-grow and slow-to-adapt economy; a perceived-to-be out of control debt
and deficit problem; and a loss of economic opportunities through the heightened competition and high level of interdependence of globalization are the three main reasons used by American leaders to explain their perception of a threat to continuing U.S. hegemony in the new world order.

In terms of the military aspect, the perception of the inability of the United States to maintain its military preponderance is intimately linked to the economic aspects that we just discussed. Given the perception of faltering economic prosperity, there are two major obstacles to continuing hegemony that are highlighted in the remarks that we examined in this project. First, given the circumstances of economic relations in the new world order, there is an increasing strain on the ability of the U.S. to maintain such a large scope of military commitments. Also, globalization has brought out an increasing unwillingness on the part of American policy-makers to continue to militarily commit the U.S. to police the international system. This fuels the perception of a threat to American hegemony in that it is not only the capacity of the hegemon to militarily defend itself that concerns us. Without the will to continue to commit itself militarily to the perpetuation of the circumstances that support American hegemony, that hegemony is seriously jeopardized.

In terms of the leadership aspect of hegemony, the perception of a threat to American leadership, or the perception of a waning recognition of that leadership in the international community, is prevalent in the remarks that we’ve examined here. Primarily, the statements that we saw focussed on the perception of an increase in popularity of isolationism. The perception of a retrenchment of the United States combined with the inability of the U.S. to pay its mounting international debts have raised doubts among American leaders about the future of U.S.
international leadership.

Finally, in terms of the control over information aspect of hegemony, the remarks that we looked at in our second chapter demonstrated the perception that globalization has encouraged the development of technology so that, along with increased access to that technology and the information it provides, other states and international actors, such as multinationals, are providing greater competition to the U.S. This heightened competition brings increased pressure on the hegemon in terms of its competitiveness as well as its access to research and information. As well, the diminished ability of states to effectively regulate the flow of information has provided fuel to the perception of a threat to U.S. hegemony. All of these points combine to show us that there does indeed exist a perception among American leaders and policy-makers that American hegemony is being threatened by the effects of globalization. This leads to our examination of the third section of our hypothesis.

The statements of American leaders pertaining to their perception of regionalism as the means through which the United States can regain some of the lost ground of their hegemony. Lost trade and investment opportunities; security issues; leadership issues; and heightened international competitiveness have all been listed as reasons for why the United States has chosen to pursue regionalism in the Western hemisphere. This is evident in our work both in Chapter One and in Chapter Three. When we look back at our work on hegemony, it is easy to see why regionalism would be considered the answer the America's hegemonic decline. We discussed the slow growth and adaptiveness of the American economy. We also mentioned the heightened level of competition on an economic level as well as a technological and information level. Regionalism is clearly perceived as an opportunity to secure greater economic prosperity through
enhanced access to markets and resources.

As well, through regionalism, the U.S. is perceived to be less hampered by security issues in the hemisphere. By inspiring democratization and economic growth among the other states of the region, the U.S. can lessen its military commitments in the hemisphere by dealing more effectively with drug trafficking, international terrorism, and other forms of resistance to its hegemonic leadership. Also, by exerting its leadership in the region, the United States puts itself at the head of the largest free trade zone in the world (assuming that the FTAA comes into being). The comments that we’ve examined in this project show us the perception that regionalism is a means of helping the U.S. to maintain its international stature both inside and outside its borders through this leadership role.

This thesis demonstrates the validity of our hypothesis. In perceiving a threat to American hegemony, American leaders and policy-makers perceive regionalism as one of the strategies that best responds to the challenges posed by globalization. Although regionalism does not appear to play a large role in resecuring the military or flow of information factors of hegemony, it is still very clear that regionalism is perceived as a policy that will help to offset the threat to continuing U.S. hegemony. Whether or not this strategy is having the hoped-for effect is not certain. Remembering that perception and image are major forces behind policy-making, it is perhaps more important for us to leave this thesis with the idea that it isn’t whether or not regionalism can actually help the United States to offset the threat to its hegemony that is important so long as there exists the perception that it can do so.
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