Northeast Asia, Regionalization, and American Power: In or Against Empire?

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DRAFT: DO NOT CIRCULATE WITHOUT PERMISSION OF AUTHOR
Abbreviations

NATO: North Atlantic Treaty Organization
IPE: International Political Economy
IR: International Relations
OPEC: Organization of Petroleum Exporting Countries
IMF: International Monetary Fund
GATT: General Agreement on Tariffs and Trade
WTO: World Trade Organization
CMI: Chang Mai Initiative
ABMI: Asian Bond Market Initiative
EMEAP: Executives' Meeting of East Asia Pacific Central Banks
ABF: Asian Bond Fund
ASEAN: Association of Southeast Asian Nations
ASEAN+3: ASEAN plus China, Japan, and South Korea
RIETI: Research Institute of Economy, Trade and Industry
ACU: Asian Currency Unit
GDP: Gross Domestic Product
FDI: Foreign Direct Investment
SEATO: Southeast Asia Treaty Organization
HST: Hegemonic Stability Theory
ITO: International Trade Organization
IKB: Industriekreditbank
BFA: Boao Forum for Asia
In the 1970s world capitalism entered into what appeared to be an era of both a crisis of American hegemony and a period of systemic chaos on a world scale. As Giovanni Arrighi argued in 1982, the collapse of the Bretton Woods international monetary architecture suggested that the United States had lost its ability to control world finance (Arrighi 1982, 61). Additionally, following the Tet Offensive in 1968 and the subsequent inability of American military might to discipline a Third World army in Indochina, it appeared the twin crises of American financial and military power suggested that American imperial rule was entering into a period of “total collapse” (Arrighi 1982, 62). Furthermore, a drastic decline in the rate of profit for American capital, particularly as the rebuilding of German and Japanese capital increased competitive economic pressures internationally, intensified the crisis of American power (Brenner 2006, 101). Beyond this, the OPEC oil price hike of 1973, along with war in Indochina, suggested that a structural reorganization of the relations between core capitalist states and the periphery was in motion, as Southeast Asia and the Middle-East exerted a higher degree of independence and authority than had been the case in the decades following the Second World War (Arrighi 1982, 63).

Overall, the crisis was not simply a one of American hegemony, but a crisis of world capitalism as a whole (Arrighi 1982, 72). But, as Arrighi and Silver noted nearly two decades later, within chaos there is order (Arrighi and Silver 1999, 22). As the institutional and normative foundations of economic growth and political stability that had driven the postwar golden age of capitalism began to break down, the question was: what will be the reorganized world order that might come out of this chaos? How would the international monetary system be restructured? What would the new relations between core-core states, and core-periphery states mean for the overall balance of world power? How would capital restructure in order to raise the rate of profit for American capital?

In this context, the field of IPE began to take shape. In other words, the era of systemic chaos challenged not only the material forces of the world, but the ideological underpinnings of academic knowledge. It appeared that the intellectual division between world politics and international economics could not be sustained, particularly as, among other things, finance and state power were so deeply interlinked (Cohen 2008, 3, 21-23). IPE attempted to develop new, more comprehensive ways to understand the structural shift in the international system that seemed to be occurring. Central to this was the debate on American hegemonic decline. In many respects, as Benjamin Cohen notes, by the 1980s American decline was taken for granted (Cohen 2008, 75). The question was not if American hegemony was in decline, but how this decline would be managed, and what it would mean for
international political and economic power.

Given this, many of the significant early contributions of IPE attempted to answer this question. Robert Keohane suggested we were moving into a period 'after hegemony', going against traditional realist IR assumptions and HST to suggest that the decline of American hegemony would not necessarily mean the destabilization of world politics; international cooperation does not depend on hegemony (Keohane 1984). Robert Gilpin was less sanguine, suggesting that the decline of American hegemony was leading to 'intensified mercantilist competition' (Gilpin 1987, 395). In a somewhat different vein, David Calleo also argued American power was in decline, raising the question as to how American policymakers would attempt to manage this (Calleo 1987). And Paul Kennedy's *The Rise and Fall of Great Powers* popularized the idea of 'imperial overstretch', which seemed to suggest that American power may be going this way, although Kennedy himself was reluctant to argue the case for American decline himself (Kennedy 1987, 515).

That being said, some dissented against this view. Susan Strange wrote about the 'myth' of hegemonic decline (Strange 1987). Her work suggested that the problem was not simply one of material indicators, noting that "many contributions to the literature have chosen indicators that are either irrelevant...or imprecise" (Strange 1987, 554). Beyond this, it suggested that the theories and frameworks being used to assess American power and its links with the international political economy were fundamentally flawed. She then attempted to build an alternative framework for analyzing the role of American power in the world political economy based around the concept of 'structural power'. Structural power consisted of four main elements: the ability to control others or protect them from violence, control over the production and distribution of goods, the structural power to determine the organization of finance and credit, and control over the production and dissemination of knowledge and information (Strange 1987, 565). Thus analyses of American power tended to focus on the material capabilities of the American state and economy; a sort of adding-up theory of power. Rather, by focusing on the structural power of the United States, Strange argued that American military power was still predominant and many other states were dependent on the US led international security structure, the US still controlled and managed a high level of the world's production, particularly as many of the world's top corporations were still headquartered in the US, the American dollar still served as world money and the American banking system was still quite strong, and the US still continues to dominate the upper reaches of world knowledge production and innovation, particularly through research and development and the university system (Strange 1987, 565-571).
Stephen Gill also made a significant contribution against the theory of hegemonic decline, like Strange, arguing the problem was not necessarily so much empirical (although that was part of it) as the theoretical apparatuses used to address the question were fundamentally inadequate (Gill 1990). Against this, Gill further developed a Neo-Gramscian approach to international relations, following the work pioneered by Robert Cox in the early 1980s (Cox 1999). Accordingly, he revised the category of hegemony not simply as a physical capability, say, economic, financial, and military capability—the adding-up theory of power—but as 'intellectual and moral leadership' (Gill 1990, 42). Given this, he then attempted to link together class power and state power to develop a 'transnational historical materialism' that argued the increasing internationalization of American power in the post-WWII era suggested a strengthening of American hegemony in a way other scholars tended to overlook (Gill 1990, 46, 64-66).

By the 1990s, it appeared Arrighi, Keohane, Gilpin, and Calleo, among others, were wrong, and Strange and Gill were right. The Soviet Union collapsed, the US seemed to overcome the 'Vietnam Syndrome', the reluctance of the American public to support US military intervention, with the first Gulf War. The restructuring of American capital following the neoliberal ruling class political project seemed to successfully restore the power of capital over labor (Harvey 2005, 19). The 'Volker Shock' in 1979 raised US interest rates dramatically, triggering a wave of destruction of American capital dependent upon cheap credit, a process of 'creative destruction' that raised unemployment to over 11 percent and, along with Ronald Reagan's crushing of the air traffic controllers union strike in 1981, signified a full throttle attack on the power of the American working class. This made possible a solution to the crisis of profitability in the 1970s, as the rate of profit for American capital stabilized from 1982-1997 (McNally 2011, 35-36). Additionally, the Volker Shock raised interest rates for, in many cases, authoritarian states in the global south. The Mexican debt crisis of 1982 ushered in an era of structural adjustment policies that allowed American finance capital to reassert American control over the global south. As Michael Cox raised the question 'whatever happened to American decline', it appeared that American hegemony in global capitalism had been restored (Cox 2001, 311).

Yet, in the early 2000s, the hegemonic decline debate was once again reborn. Giovanni Arrighi, a quarter century after his previous work on hegemonic crisis, argued that the American 'War on Terror' signified the 'terminal crisis' of American hegemony (Arrighi 2007, 9). David Harvey has suggested that we are moving towards an increasingly multi-polar world (Harvey 2010, 35). Immanuel Wallerstein has continued to argue that American power has been in decline since the 1970s.
Walden Bello has suggested that the American empire is being 'unmade' (Bello 2005). Hardt and Negri famously argued that we are moving away from an era of American centrality to a new form of transnational 'Empire' (Hardt and Negri 2000). In the global capitalism school, William Robinson sees a movement towards a transnational state and transnational capitalist class (Robinson 2004). Finally, Adam Quinn has argued we are moving into a world in which “no single power exercises the level of influence previously enjoyed by the United States” (Quinn 2011, 810).

Yet, as of 2012, it appears, once again, the case for American decline has been overstated. Five years into what has been called an 'endless crisis' (Foster and McChesney 2012), it appears the US state is still the central imperial manager of world capitalism. That being said, the US's role in global capitalism is laden with contradictions, as Panitch and Gindin note, perhaps most significantly, the difficulty of functioning as both protector of American capital and manager of world capitalist interests for the world system as a whole (Panitch and Gindin 2012). Additionally, as economic growth rates in the first quarter of 2012 were lower than many economists expected, with India growing 5.3 percent, the slowest in nine years (Fontanella-Khan, 2012). China's growth this quarter was 8.1 percent and Chinese premier Wen Jiabao has suggested that China is aiming for a 7.5 percent growth rate this year, its lowest target in more than a decade (Hook, 2012). In the United States, joblessness recently rose for the first time in a year as the American economy continues to struggle to restructure following the triggering of the world economic crisis in its subprime housing mortgage market (US Releases 2012). And, of course, Europe continues to suffer from the sovereign debt crisis as the economic downturn transformed into a major political crisis.

Overall, it seems that Asia's ability to 'spearhead' recovery from the world capitalist crisis has perhaps been overestimated. Dilip K. Das, for example, argued in 2011 that by 2009, Asia, particularly East Asia, began to recover from the crisis, suggesting that this region is playing a leadership role in getting global capitalism moving again, and this region is likely to increasingly play a leadership role in world affairs in the coming future (Das 2011, 87-88). In this path, Ravi Palat suggests that as economic growth rates in India and China continue to be high as Europe and the US stagnate, “economic growth in the region is more autonomous than previously suspected when China and India had been characterized as the world's 'workshop' and 'back-office' respectively” (Palat 2012, 140). This also raises the structural question: how deeply are Asian national economies integrated into the global system contrast with to what degree are national and regional economies insulated from larger movements in the world economy?
Panitch and Gindin, for example, argue a different position; that, in many respects, China in particular is being integrated into a global capitalism still structurally managed by the American state. China, like other East Asian states, has built up massive dollar reserves following the East Asian crisis of 1997-1998, providing the American state with stable debt financing to reproduce its imperial position. Additionally, China has joined international agreements, most importantly the WTO in 2001, which has decreased China's ability to pursue autonomous national economic policy, increasingly subordinating China to the ebbs and flows of internationalized capital (Panitch and Gindin 2012). Examples such as this suggest that China, and perhaps East Asia as a region, is still highly integrated into and highly dependent upon the American state's role as manager of world capitalism, not to mention exporting to the American consumer market as 'consumer of last resort'.

Contextualized in the history of this debate, this paper aims to provide a balanced analysis of the dynamics of the rise of East Asian capitalism, with a focus on China, within an analysis of American empire as the historical center of world capital accumulation and political management since 1945. In contextualizes this in terms of historical sociology, and the IR/IPE traditions. The former tend to focus on long term structural shifts in world power (Wallerstein 1974; Braudel 1984; Arrighi 1994). Historically, world capitalism has been centered around particular spatial configurations of power. First, the expansion of Portugal and Spain and the Hapsburg empire, financed by Northern Italian and South German capital in the 16th century, then the rise of the Dutch Republic as the center commercial and financial center of the European world economy in the 17th century, followed by the rise of the British empire following the Seven Years War (1756-1763) and Napoleonic Wars which solidified Britain as the premier power in Europe over its main competitor, France, and finally the rise of American hegemony during and following the Second World War. Today, following the 'East Asian Miracle' and the rise of China, which, as Martin Jacques suggests, might 'rule the world' (Jacques 2009), the question is begged: to what degree are we seeing a shift in the center of world accumulation away from the North Atlantic world to Asia, particularly Northeast Asia? Scholars in the IPE tradition have tended to focus on questions dealing with a shorter temporal span and spatial expanse. Yet, their focus on the details of the global political economy provides a starting point for unpacking contemporary relations between states, capital, and social classes within the uneven development of the international system. By linking together the traditions of historical sociology and global political economy, I hope to provide a theoretical approach that can ask big questions about historical structures while also digging into the empirical details of world politics and economics to situate the present as
Hegemony and Empire

As the work of Strange and Gill, as discussed, demonstrates, the controversy surrounding the debate is as much conceptual as theoretical. In other words, what is the most accurate way to conceive of the ways that American power is structurally embedded within global capitalism? Central to this are the notions of hegemony and empire. Both of these terms have been defined and operationalized by scholars from different intellectual and political traditions in a wide variety of ways which, problematizes the entire debate. The risk in this is that, by crafting different central categories for a theory of international politics, authors begin to talk past each other, rather than finding a shared conceptual universe to engage in debate.

In this light, I suggest that the most holistic way to theorize American power is the notion of empire. That being said, literature dealing with the idea of American Empire tends to be divided into two camps. First, historians have written about American Empire in a long-term historical perspective, but generally neglect to discuss what it means to theorize the particularly historically contingent and capitalist basis of American empire (Ed. Calhoun, Cooper, Moore, 2006; Maier 2006; Munkler 2007; Go 2011). Secondly, much of the discussion on American Empire that arose following the US invasion of Iraq in 2003 used the term in a polemical way that generally didn't provide a comparative historical analysis of the notion to explain continuity and discontinuity with other empires in history (Bachvich 2002; Mann 2003; Smith 2003; Bello 2005; Foster 2006; Louw 2010).

Hegemony is also a term with a variety of definitions which risk talking past each other. To take two particularly influential uses of the notion, for example, Immanuel Wallerstein considers hegemony those historical circumstances in which a hegemonic state is able to become the dominant state in the interstate system and “impose its set of rules of the interstate system, and thereby create temporarily a new political order” (Wallerstein 2002, 357). Given this unique political position, Wallerstein argues that the hegemonic state is able to provide advantages for its economic firms. Additionally, a hegemon has productive, commercial, and financial superiority over other national political economies which allows the products of the hegemonic state to outcompete the goods of other core states, so that “the given core state will be primary beneficiary of a maximally free world market (Wallerstein 1980, 38).

This perspective contrasts with what has generally become the other predominant way of
conceptualizing hegemony in critical theory; the Neo-Gramscian approach. This approach, first laid out by Robert Cox three decades ago, suggested that hegemony is something more than simply dominance. In other words, an adding-up category of hegemony that simply uses it to take several material factors such as military might, economic heft, etc. tends to overlook the social and ideological characteristics of hegemony. Contrast to this, the Neo-Gramscian notion uses hegemony to refer not simply to dominance, but to the social and political capacity of a particular class, exercising power through the state, political society, and civil society, to lead both other fractions of the capitalist class and subaltern classes, presenting the interests of the dominant class as the universal interests of other social classes (Cox 1999, 126-127). On the scale of world order, a hegemonic social force is able to establish and reproduce its position through its leadership of a historical bloc in which social forces from below come together with political and economic power from above, linking together a world order.

Yet while these notions both highlight different aspects of macro-historical political power, it is questionable how comprehensively they can account for the dynamics of American power as a total social complex. As Panitch and Gindin argue:

Just as Gramsci’s use of hegemony did not displace the concept of ruling class but rather spoke to a certain, and variable, quality of rule on the part of particular ruling classes, so the concept of hegemony should not displace that of empire. Such a displacement has often led to the underestimation of the scope and breadth of American structural power and its capacity to reproduce its imperial status. This is seen in the tendency, especially widespread on the left, to draw hasty conclusions about the decline of American hegemony whenever the gap narrows between the us and other economies, or other elites express ideological discomfort over the style of us leadership, or when a particular military setback occurs (Panitch and Gindin 2005, 108-109).

In other words, there is a tendency to overstretch the Neo-Gramscian notion of hegemony. This has resulted in, among other things, a distorted image of the British Empire, which I don't have space to detail here (Lacher and Germann 2012). For purposes of this paper, it also suggests that this notion of hegemony fails to capture the overall contours of American power. While it is a useful category to
explain the role of the US in the economic reconstruction and political leadership of the American state with Japan and Western Europe following the conclusion of the Second World War, the American state-capital-class nexus is bigger than that. Gramsci's own notion, for example, referred to a particular form of state, the 'integral state' (Thomas 2010, 139). Yet systematic violence has also been a key component of American foreign policy in its age of hegemony, and as much as the American, Western European, and Japanese state, to some degree, might be considered 'integral states' in which hegemony was organized, American power has exercised a wide variety of forms of power over its supposedly hegemonic epoch, suggesting another category might be more useful to understand American power as a historical totality.

This notion, I suggest, is empire. In fact, the United States as a multi-layered social and political complex, shares important similarities with other historical empires. While it has national boundaries, for example, the space of its state is much wider than its formal boundaries. The US has a global military empire, with bases stationed around the world in a way in which the Roman, Chinese, or British empires could only have dreamed about. Also, American based banks and corporations spread across the world, backed by the power of the American state, linking together empire as more than simply state power, but a state-capital nexus that is structurally embedded in global capitalism as a whole. Also, through relations of unequal exchange—the American Empire's unique capitalist form of imperial tribute—the US is able to benefit by guaranteeing both its national capital, and, to some degree, managing global capitalism as a whole (Panitch and Gindin 2012). Thus the space of American Empire, what Ellen Meiksins Wood called an 'empire of capital' (Wood 2003), is a fluid, overlapping, space with multiple layers of forms of power which has been, and continues to be able to, in various forms, shape the political and institutional contours of world capitalism.

**The Foundations of American Empire in Northeast Asia**

In historical terms, the American 'empire for liberty' as Thomas Jefferson famously called it (Williams 1969, 51), was built from the start with an eye towards Asia. The first American merchants attracted to the 'China magnet' made it to China in 1784 (Heffer 2002, 17). But in the first half of the 19th century the US had demand for Chinese products, but no substantial goods to sell that the Chinese were willing to purchase, leading to a drain of American precious metals east (Heffer 2002, 25). Thus part of the push of American merchant-capitalists west was driven to locate goods to sell to China. In
the US northwest, for example, Americans found furs and sea cucumbers, two goods in demand in China, which they could sell across the ocean. In addition, an American presence was established in Hawaii in the first decades of the 19th century when Americans found out Hawaiian sandalwood could be sold in Canton, that, although was depleted by approximately 1840, provided a stepping stone for the eventual annexation of the islands (Heffer 2002, 33). By the time of the Spanish-American war in 1898 this eastward orientation, driven much in part by a logic of accumulation and market expansion, would lead to the conquest of the Philippines.

Following this, through the first half of the 20th century, American foreign policy, sometimes characterized as isolationist, was driven by, as Cumings notes, “a form of exclusive continentalism” (Cumings 2007, 39). While president Wilson's 14 Point Plan and support for the League of Nations began to sketch the outlines of a US-led capitalist world order tied together through a system of states, it would not be until the Second World War that the United States would be pulled into the world system in a way in which the dialectics of world imperialism would move the US from continentalism towards building hegemonic relations with Japan and Western Europe tied together in a world scale empire of capital.

In Western Europe, for example, American led reconstruction efforts have been characterized as 'empire by invitation' (Lundestad 1986). While by the end of World War II the United States emerged with 70 percent of the world's gold reserves (Arrighi 1994, 275) and produced approximately half of the world's goods and services (Lundestad 1986, 264) it was not clear what role the US would take in rebuilding the world system. While, for example, Roosevelt's 'one worldism' envisioned a global system tied together by US hegemony, this vision was never fully articulated (Schurmann 1974, 6). In other words, American led reconstruction efforts were not led by an overarching imperial vision, but were more the product of pushes, pulls, and rising tensions between the US and the USSR, Western Europe, and the Cold War.

That being said, if there was one overall theme in rebuilding the world order, it was the American desire to build a liberal international order that would secure US security and economic interests. The American state was committed to rebuilding a liberal international trade order that would, among other things, allow the American economy to flourish. How to accomplish this would entail different methods in different parts of the world.

In Western Europe, for example, the United States attempted to build an independent, united Europe which would allow US troops to return home (Ikenberry 2006, 27-35). Yet European states
would pull the US in, pressuring American policymakers for both economic aid and the integration of Europe into a US led security umbrella. Additionally, European states had different national interests, the push and pull of which led to the eventual security and economic situation that constituted the rebuilt Atlantic alliance. For example, while the US at first aimed to rebuild the European security apparatus as a third force against the Soviets, France called for the US to lead NATO, much in part due to a desire to contain Germany and the USSR. German Chancellor Adenauer, by contrast, supported American leadership in NATO in part as a way to rebuild Germany sovereignty and political equality in the wake of Germany's loss in the war (Ikenberry 2006, 37). And the British called for continual American financial assistance at the undesired expense of breaking up British imperial preference (Ikenberry 2006, 29).

On the other side of the world the attack on Pearl Harbor transformed the United States from a mainly commercial participant to the major political interlocutor in East Asia. American visions and strategies towards East Asia also shifted dramatically in the years from the Second World War to the Cold War. As Akira Iriye has noted, according to most American writers of the age “it was taken for granted that China, victorious over Japan, would emerge as a strong power and replace its enemy as the central force in East Asia” (Iriye 1967, 240). In other words, American policymakers envisaged an Asia in which the back of Japanese militarism would be broken while a Kuomintang controlled China, allied with the US and recognized as legitimate by the Russians, would emerge as the major East Asian regional power (Iriye 1967, 252-253).

Of course, as the post-war relations of forces solidified, things would turn out quite differently. As Cumings has noted while early on some called to “destroy the Japanese Imperial Army, break up the zaibatsu, eliminate rural landlords, and bequeath to the world a reformed and chastened Japan” (Cumings 1987, 59) as the battle lines of the Cold War began to solidify this view would quickly change. By the end of 1949, after communist victory in China, American policymakers reimagined what the rebuilt East Asian order would look like. It would be a triangular structure; the United States serving as the core, Japan as the semi-periphery, and Southeast Asia as the periphery. This would allow the US to contain Soviet influence while building a commercial network that would solidify American power in the region (Cumings 1987, 62).

The new role of the US as the center of the East Asian balance of power was solidified with the Korean War. As Cumings argues, “the Korean War not only boosted the Japanese economy but provided MacArthur with justification for reviving police and military and for excluding labor and the
left within Japan” (Cumings 1987, 63). It other words, the Korean War would solidify Japan as America's major ally in East Asia. Domestically, it would also begin to solidify the rebuilt Japanese political system which was ruled by one party, the Liberal Democratic Party, for the next half century.

Overall, the Korean War would institutionalize the American Empire in East Asia. While this power would have territorial aspects, particularly as the US has continued to have tens of thousands of troops in the region, especially in South Korea and Japan, it would be part of a global imperium organized through the internationalization of the structures and functions of states so that, for example, Japan would rise to become a great economic power while militarily having relatively little autonomy.

In addition to establishing Western Europe and East Asia as the bedrock of the US Empire, the reconstituted and expanded empire of capital would be tied together by the Bretton Woods system. Mastermind through negotiations between John Maynard Keynes and Harry Dexter White (and against the wishes of New York bankers) a new international financial order would be forged, allowing states to use capital controls to prevent 'disequilibrating' flows of liquidity from upsetting the reconstruction of an open liberal trading order (Helleiner 1994, 36). But, as Panitch and Gindin have shown, these controls were organized to be temporary, to get the liberal trading order and world economy back on its feet (Panitch and Gindin 2004, 50).

In addition, the dollar would be tied $35 to an ounce of gold, and other currencies fixed to this, adjustable through negotiations with the IMF. Also, the IMF would be established to provide capital for short term balance of payments imbalances and the World Bank would be responsible for longer-term loans. This effectively put the world on a dollar-gold standard, making the dollar a key component of the American empire of capital. Also, the call for an ITO would be shot down, replaced with the (GATT) which would serve as a forum for states to slowly liberalize trade.

In summary, by the early 1950s the Cold War order, tied together by the American empire of capital was solidified. Japan and Western Europe would rebuild, much in part to American support. For example, the US opened its markets to European and Japanese goods and encouraged technology transfers. Organizations such as the Anglo-American Council on Productivity sponsored study trips by European capitalists and workers to come to the US, learn about various labor-management and industrial organization tactics, and bring them back to Europe (Rupert 1995, 51). In Japan, in addition to stimulating Japanese growth spending about $3 billion dollars in Japan for production for the Korean War from 1950-54, the US would also give Japan technical assistance to modernize Japanese plants and equipment (Palat 2004, 31). Also, the Bretton Woods order would provide a financial system allowing
for trade expansion and a stable international monetary system. Additionally, beyond the triad the US, particularly through the CIA, would sponsor coups and dictators in the Third World, which I won't discuss in detail here. Overall, then, the foundations of a world capitalism centered around the American Empire were built in the decade following the end of the Second World War. Yet, as noted, since the US quagmire in Iraq and Afghanistan signaled, to some, a sign of the lack of effectiveness of the American military machine and the rise of an increasingly Chinese centered East Asian capitalism, along with other 'emerging powers' such as India, Brazil, and Russia, once again predictions of American decline are once again on the agenda.

**Hegemon in Decline or Empire Renewed?**

Over the last few years piles of books and articles have been produced with titles such as *China Inc. How the Rise of the Next Superpower Challenges America and the World*, *China Shakes the World: A Titan's Rise and Troubled Future—and the Challenge for America*, and *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (Fishman 2006; Kynge 2007; Jacques 2009). Even Henry Kissinger has jumped on board the China train, recently publishing a large tome historically analyzing China's relations with the west, and suggesting that the creation of a 'Pacific Community' in which China and the United States recognize their mutual interests may prevent the rise of China from offsetting the global balance of power in a way that leads to world conflict (Kissinger 2011, 527). In addition, there has been discussion of the idea of a 'Beijing consensus', a Chinese led alternative to the Washington consensus that drove neoliberal economic policies through the 1980s and 1990s (Halper 2010). Given this, how are we to make sense of the rise of China in the context of growing East Asian (and Northeast Asian) regionalism, the incorporation of China into global capitalism, the increasing penetration of foreign capital into China, the remaking of the Chinese state in light of its capitalist transformation and, perhaps most importantly for the future of the capitalist world order (and its tendency towards interimperialist rivalry and war) how will China integrate into or replace the western dominated capitalist world system? Given the historical and theoretical contours this paper has laid out, I argue that the increasingly Sino-centric Northeast Asian political economic order is characterized by both a deepening integration into an a push away from an American and North Atlantic centered and led global capitalism. The rest of this paper begins to lay out how these new relations are playing out in the global political economy.
In world historical terms, it appears we are living through the midst of what Ravi Palat has called “a fundamental structural shift in the world economy” (Palat 2012, 141). In other words, while what was the core of the world capitalist economy; the 'triad'; Western Europe, North America, and Japan, have entered into a period of slow economic growth, intensified by the first truly global economic crisis in world history triggered by the collapse of the US subprime housing mortgage market in 2008, China, India, and the so-called emerging powers of the world have sustained record high economic growth levels in recent times. This suggests a de-centering of the capitalist world system and a realignment of world power relations away from a western centered world (keeping in mind regions and their representative categories being social constructs) towards a multi-polar world, or perhaps even a Sino-centric world capitalism.

This would not, in some respects, be a completely novel development. Rather, it suggests that we are, albeit in a highly modified form, returning to a structure of world power more similar to the centuries before 1800, as historians have increasingly been arguing in an attempt to move away from Eurocentric history (Frank 1998, Pomeranz 2000). As Amiya Bagchi notes, for example, “in 1750 China produced 32.8 percent of world manufactures, India (meaning the subcontinent of South Asia) produced 24.5 percent, and today's developed countries together produced 27.0 percent” (Bagchi 2008, 135). Yet by 1960, Northeast Asia (Japan, China, Taiwan, and Korea) only accounted for 4 percent of world gross domestic product. By 2008, this number was 17.7 percent (Calder and Ye 2010, 3). In other words, the last half century has seen a striking structural shift in the weight of world economic relations. Yet, as Palat has discussed, “how are we to account for the fact that though the center of economic gravity appears to have shifted irrefutably to the east, the management of world politics remains firmly within the iron grip of Western powers” (Palat 2012, 141)? In other words, to what degree is this shift in economic weight leading to a new political role in world affairs for Northeastern Asia and emerging powers around the world?

The answer is, in many respects, limited. In other words, while new political linkages are being built around the world, their overall capacity or will to challenge American Empire remains constrained and, in many respects, these powers, particularly Northeastern Asia, are highly integrated into American imperial space.

Financially, for example, one of the unique aspects of American Empire has been its ability to secure the dollar as world money; serving as trade currency for many important assets such as oil, and serving as global reserve currency for banks around the world. Additionally, American Treasury bonds
function, to a degree, as perhaps the most important stabilizing asset for finance capital around the world. This was seen in that, in the midst of a crisis triggered in US financial markets, rather than fleeing from them, investors increased their purchases of Treasury securities (Panitch, Konings, Gindin, and Aquanno 2009, 255). Also, since the East Asian crisis of 1997-98, Northeast Asian states have increased their holdings of dollar reserves, generally recycling their dollars into US debt. This, among other things, provides the US state the ability to continually refinance its debt, providing a secure mass of the world's capital as cheap credit for the American state. This has integrated these states, particularly Japan and China, into dependence upon the stability of the US financial system. China, for example, needs to continually purchase US debt in order to maintain the low value of its currency. And because these countries hold large amounts of American debt, they have a structural interest in maintaining the value of the American dollar. For example, in the 2010 G-20 meeting in Seoul, South Korea, Obama suggested to China that they are undervaluing their currency and raise its value by 20 percent. Yet this would mean China would lose 20 percent of the value of its dollar reserves, approximately $500 billion dollars (Hudson and Xulin 94, 2012). If China, which runs a large trade surplus with the United States (being partly dependent on selling its cheap consumer goods to the US), did not transfer its surplus dollars into Treasury securities, the fear is that it would have an inflationary effect on the Chinese economy, harming China's low cost export led developmental path.

Historically, Giovanni Arrighi has argued that financialization represents the final phase of the systemic cycles of accumulation that sustained the position of the Dutch, British, and United States as leader of world capitalism (Arrighi 1994; Arrighi and Silver, 1999). During these periods, interstate rivalry and competition for mobile capital are supposed to intensify, leading to an era of systemic chaos followed by a period of major restructuring. And while Arrighi is right to show that this may have been the case in the periods of late Dutch and British centrality, as capital from both of these states fled to the next state in the succession of national spaces, the US case is historically different. For one, as global demand for US government debt shows, the US is not simply following the path of the Dutch and British by exporting capital to a new potential center of world accumulation, but is also a major absorber of the world's capital, with Wall St. still serving as the central hub of global finance. In fact, one of the particularly unique aspects of the 2008 global economic crisis was that banks around the world, particularly in Europe, had purchased large amounts of subprime debt. German bank IKB, for example, had taken on lots of US subprime debt, triggering a crisis. IKB had to be bailed out in late 2007, predating the American bank collapses of 2008. In other words, the US is both a major exporter
and importer of capital and even in its era of so-called hegemonic decline, is still absorbing large amounts of the world's liquidity, which strengthens the power of the American state and the capital it protects.

While financialization has strengthened the American empire (and gave it the ability to discipline the global south through structural adjustment policies in the 1980s and 90s), the US GDP has remained at about 20 percent of the global total since the 1970s (Li 2008, 124). This in part due to the development of the west coast of the US as a dynamic center of capitalist growth since the Second World War. From Microsoft and Boeing in the Pacific Northwest to Silicon Valley in California which, as of the end of 2010 was still the 8th largest economy in the world (California Economy 2010) larger than Brazil but behind Italy, as the American rustbelt has formed the west coast has served as a dynamic region of capitalist growth. Also, nationally, American research and development spending is still by far the highest in the world. As of 2010 the US spent $395.8 billion on R&D, or 34.4 percent of the world's total. Meanwhile Asia as a whole spent $400.4 billion, or 34.8 percent of the world's total, the majority of this split between Japan and China who each spent about 12.3 percent of world total (2011 Global R&D 2010). Additionally, a lot of the research is still conducted in the US while China, for example, tends to focus on development; that is, taking pre-existing products and altering them to fit the Chinese market.

In terms of production, since joining the WTO, though, China's ability to force foreign capital to submit to its demands for technology transfer and local content policies has diminished. While joint-ventures with technology transfer deals were common in the 1980s and 1990s, for example, part of China's integration into world trading norms has meant China has also been forced to give foreign capital more freedom so that by 2004 two-thirds of total realized FDI in China came from wholly owned subsidiaries of foreign companies (Naughton 2007, 413). High-tech products have also been dominated by foreign capital, as in 2003 9 out of 10 high tech exporters were owned by foreign firms (Naughton 2007, 417). Also, while China has increased its export of information and communication technologies from 3 percent in 1992 to 24 percent by 2006 and raised its export of electrical goods from 4 to 21 percent during this period, as Hart-Landsberg has argued, “of course, most of these are not truly Chinese exports, but rather exports assembled/produced in China; foreign corporations are responsible for approximately 88 percent of all Chinese high-technology exports of products” (Hart-Landsberg 2011, 322). Additionally, while China has been graduating over one million science and engineering graduates in recent years, as Naughton shows, 43 percent of these graduates come from
three year technical schools, creating a pool of many workers with some technical skills (Naughton 2007, 362). In summary, while China has been moving up technologically and scientifically, it still has quite a ways to go to, overall, reach the standards of the advanced capitalist countries. And, with China's entry into the WTO, the last decade has seen a decrease in the ability of the Chinese state to control foreign capital, creating uncertainty as to whether China will become a great power on par with the US, Japan, Western Europe, etc. or whether its developmental path might hit a structural limit in the near future, trapping China in a low-middle income status in the global hierarchy of powers.

China's dependence on exports has also meant that, in many respects, China has been integrated into the American empire of capital. While the Chinese party-state is addressing this in their 12th Five Year Plan (Key Targets 2011) by trying to increase per capita incomes and domestic demand, overall in recent years China has become more, not less dependent on exporting to foreign markets. Between 1980 and 2006 China's export to GDP ratio rose from 23 to 37 percent. Between 2000 and 2006 consumption (household and public) as a percentage of GDP went from 62 percent to 50 percent (Li 2008 87-88). As China has become increasingly dependent on exports, it has accumulated huge amounts of dollars. In 2010 China ran a current account surplus of $273.1 billion with the US (Wearden 2011). Although, as Shaun Breslin rightfully suggests, we should be cautious of bilateral statistics as, for example, China is one node in a complex of regional production chains and calculating, for example, what portion of the value added to a particular commodity is actually produced in China, overall he suggests that from 1996 to 2005 roughly 30 percent of Chinese exports went to the US, 26 percent to Japan, and 16 percent to the EU (Breslin 2007, 110).

Additionally, the US security apparatus still functions as the global police officer in some respects, linking the military forces of other states into dependence upon US security arrangements. In the mid-1980s, following Reagan's intensification of US militarism, American military spending as a portion of the global total was about 25 percent (Gill 1990, 79). In 2011 it was, according to a study of worldwide military spending by the Stockholm International Peace Research Institute, 41 percent of world total (Stockholm 2012). Number two on the list is China. China's defense spending has risen close to 200 percent over the last ten years, up to an estimated $119 billion in 2010, contrast with the US's almost $700 billion that year (Economist 2011). In 2011, for example, it was well publicized that China commissioned its first aircraft carrier, a refurbished Soviet model. Meanwhile the US maintains a fleet of 11 aircraft carriers that it organizes into 'carrier strike groups' that it uses to intimidate other states, in January 2012 sending a second carrier group into the Persian Gulf to intimidate Iran (RT
Also, American military force is not exercised simply as a form of domination, but leadership. For example, the United States also continues to maintain its political and military controls over Japan, a state with highly constrained sovereignty. Japanese security is deeply linked into the American empire of capital. As Robert Sutter puts it, “the alliance remains central to Japan's security—Japan needs and wants the alliance to continue, and deeply fears the consequences if it does not” (Sutter 2009, 207). The US continues to station about 38,000 troops in Japan with 11,000 afloat nearby (About U.S. Forces Japan 2011). Also, Japan continues to pay for the US military presence in the country, in 2010 agreeing on a five year deal to keep Japanese host nation support to the US at 188.1 billion Yen (about 2.5 billion US dollars) a year (U.S. and Japan 2011). The US also continues to station about 28,000 troops in South Korea, down from 37,000 in 2004 and, like Japan, pays the US military to station troops there, costing South Korea $571 million in 2010 (Military Realignments 2011).

The United States also remains the world's largest arms dealer and has used this to, among other things, insert itself as the major force balancing China-Taiwan relations. To take one case, in September 2011 The US agreed to sell Taiwan $5.8 billion in arms, including upgrades for Taiwan's F-16 jets (Jacobs 2011). Overall, US support for Taiwan has prevented China from retaking Taiwan while simultaneously constraining pro-independence forces in Taiwan, creating a balance of power between Taiwan and China (Sutter 2009, 184-186).

**Northeast Asian Regionalism: A Challenge to American Empire?**

While, on one hand, an increasingly China centered Northeast Asia has been integrated into the American Empire, on the other, a series of new political links on a world scale suggest that the western centered capitalist world order may be in its least secure position of dominance since the 'rise of the west' two centuries ago. In world historical terms, European colonialism was driven by, among other things, a push into Asian markets which were, in many respects, more developed than Europe for centuries before the combination of capitalism, modern state formation, and the industrialization of military technologies made it possible for Europe to dominate Asia. The major exception to this, of course, was Japan. Following Commodore Perry's famous black ships, which reached Japan in 1854, unlike China which, for example, was gradually subordinated to the West following the Opium Wars, Japan became a major regional imperial power in its own right. Also, as Takeshi Hamashita points out,
Japanese modernization was not simply a reaction to western influence. Rather, it was also Japan's attempt to move towards a higher position in the East Asian political hierarchy, previously dominated for centuries by the Chinese empire (Hamashita 128, 1997).

As Japanese imperialism and the attempt of the west to divide up China transformed the Northeast Asian balance of power from the mid-19th through mid-20th centuries, following the defeat of Japan in the Second World War, the role of Northeast Asia in the global political economy was fundamentally transformed. China went communist, Japan became a semi-sovereign honorary member of the west, and Korea was divided along Cold War lines. And the United States became the major player balancing Taiwan-China relations. During this period the US inserted itself as the major regional force balancing power relations between historically conflictual states. Yet, in more recent history, these structural relations seems to have changed. Northeast Asia increasingly appears to be regionalizing as it increases its position in the global capitalist hierarchy of power. This seems to suggest that the region is becoming a relatively autonomous political economic unit that has not only become the most dynamic center of world capital accumulation, but may provide a political alternative to the western dominated interstate norms, rules, and regulations that have guided international relations over the last 70 years.

Yet, contrast with, say, European regional integration, Northeast Asian institutional integration seems less significant. Given this, there has been talk of an 'organization gap' in the region (Calder and Ye 57, 2010). In other words, the 'making of Northeast Asia' as a socially constructed region over geographical space has been driven less by political initiative than capital driven integration. This has been the case particularly after the Plaza Accord of 1985 raised the relative value of the Japanese currency, sending Japanese capital throughout the region in cross-border production networks to search for lower wages, regionalizing value-added commodity chains. Historically, the animosity between Northeast Asian states, intensified following the era of Japanese imperialism, had made it difficult for these states to come together on common political agreements. Additionally, the US used this space to insert itself as the major political interlocutor. In what has been called the 'San Francisco System', following the San Francisco Treaty of 1951-1952, the US built a series of 'hub and spokes' relations with Northeast Asian states (Calder and Ye, 58-59, 2010). This allowed the US to negotiate politically with individual states while these states themselves did not turn to each other, but rather to the US, for foreign affairs and institutional regionalization.

Despite the incorporation of China into this system, as Calder and Ye point out, “for more than
forty years (1953-97), virtually all new efforts to transform, or even build upon, the San Francisco “hub-and-spokes” bilateralist pattern ended in abject failure” (Calder and Ye 73, 2010). In other words, besides SEATO, a poorly organized institutional body, the Southeast Asian NATO, the ADB founded in 1965 and lead by the US and Japan, and ASEAN, founded in 1967, other regional initiatives were generally either short lived or failed (Calder and Ye 75, 2010).

Over the last decade and a half, following the East Asian Economic Crisis of 1997-1998, the pace of region making in Northeast Asia has intensified, seemingly challenging the hegemony of the San Francisco System. Following the crisis, policymakers in Northeast Asia have increasingly worked to develop cooperative mechanisms to avoid a return to the instability of the late 1990s, effectively coordinating the regional political economy to manage the potentiality of crisis that has characterized the last several decades of neoliberalism around the world. These crisis management mechanisms have taken on new institutional forms. Central to this has been coordination to manage finance in the region, as seen with, most importantly, the Chang Mai Initiative, Asian Bond Fund, and even a call for an Asian monetary unit as oppose to the dollar (Dent 2008, 156-165). These initiatives suggest that the San Francisco System, led by the US, is being challenged.

The Chang Mai currency swap initiative is probably the most significant of these new institutional forms of regionalism. Essentially, the crisis was in part due to the fact that East Asian states were accumulating short term debts at a high rate. When speculation against the Thai baht triggered the crisis, pushing down the value of the currency, investors began to pull their liquid capital out of the region. For example, while Indonesia, Korea, Malaysia, the Philippines, and Thailand had imported $54 billion in the year before the crisis, in the forth quarter of 1997 and first quarter of 1998 $68 billion fled these countries (MacIntyre, Pempel, and Ravenhill 2008, 4-5). The crisis was intensified as states did not have the foreign exchange reserves to pay their debts and sustain pre-existing levels of trade. The result was a major crisis, followed by unemployment, the collapse of various firms around the region, etc.

Although Japan proposed an Asian Monetary Fund to manage the crisis, this was rejected by the US, in favor of IMF-led restructuring, and China, reluctant to see Japan take a regional leadership role (Calder and Le 2010, 84). In the years since the crisis, though, East Asian state have been more reluctant to follow western policy prescriptions. Additionally, with in the 1980s and 1990s China was generally reluctant to participate in regional agreements, cautions to restrain its autonomy. Since the crisis China has increasingly integrated itself into regional and global political networks, from the
Chang Mai Initiative to joining the WTO.

The Chang Mai agreement, established in 2000, is particularly significant precisely because it was a regional initiative, without participation by western powers (Calder and Ye 2010, 94). Essentially, the agreement allows states to exchange their currency for the currency of another state to prevent the sort of foreign exchange crisis that occurred during the late 1990s crisis. In this sense, it is more a network of bilateral agreements than an overall regional institution. As Jennifer Amyx argues, “this variation in terms suggests that common depictions of the CMI as a very large regional pooling facility are mistaken” (Amyx 2008, 122). Rather, participating governments are able to opt out of swaps with other countries. For example, “Singapore also never agreed to a swap with Korea or China in the first stage, and it put its swap in place with Japan only in November 2003. Thailand, a key early supporter of the CMI (for obvious reasons) initially refused to renew its swap with Japan in 2004. And two of the Chinese swaps (with Thailand and Malaysia) expired in 2005 and, as of August 2007, have not been renewed” (Amyx 2008, 122). That being said, in 2010 the CMI established the Chang Mai Initiative Multilateralization agreement (Rathus 2010). This agreement was the first regional institutional agreement by ASEAN+3, and represents an increasing push for deeper financial coordination between East Asian states.

In 2003 the ABMI was launched by ASEAN+3 as a response to relatively underdeveloped securities markets in East Asia and because it was thought that East Asian states had been too dependent on short term loans from banks for long term investments, increasing regional instability in the East Asian economic crisis (KCMI 2012). Additionally, the EMEAP launched the ABF around the same time. As Amyx puts it, “the ABF provided some demand for bond issues, and the ABMI focused on putting the necessary infrastructure in place to increase the range of issuers and amounts issued” (Amyx 2008, 129). In other words, the AMBI would focus on reorganizing states' financial infrastructure and policy to create space for bond markets to grow and the ABF would create a pool of bonds investors could purchase as a step towards building larger bond markets for East Asian states. Overall, since the East Asian economic crisis, East Asian bond markets have had significant growth. Excluding Japan, the amount of outstanding bonds in motion has increased 16.9 percent a year on average from 1998 to 2011, higher than the world average of 9 percent (KCMI 2012). That being said, excluding Japan, East Asian bond markets are still relatively less developed than in the west. Overall, investors around the world still generally prefer to ship their liquidity to New York or London, rather than East Asia (Amyx 2008, 133).
Besides these two developments, in the mid-2000s the ADB and other research institutes in Japan such as the RIETI began to do what became well publicized research speculating on the possibility of an ACU (ADB Institute 2008, RIETI 2012). That being said, the possibility of East Asian governments coming together on a shared ACU is still a long way off, if it ever happens. For example, there have been debates regarding whether, for example, Taiwan would be part of it, which China of course finds problematic. Additionally, there has been no consensus on what the ACU basket would consist of in what amounts (Amyx 2008, 134).

Along with these financial initiatives, as noted, East Asian regionalism has most significantly been driven by capital, with states slowly reacting to catch up. Particularly since the Plaza Accord, the forces and relations of production have shifted in organizational form, increasingly diffusing across geographical space. In some senses, this seems to go against the more typical tendency of capital to centralize into more concentrated and centralized geographies. That being said, these international production networks are still organized hierarchically with an uneven distribution of value added functions across these spaces. Also, historically speaking, shifts to new centers of world capitalist and state power have entailed the invention of new forms of production, from the joint-stock companies of the Dutch in the 17th century, to the British factory model of the 19th century, to the American multinational corporation of the 20th (Arrighi, Barr, and Hisaeda 1999, 97). This raises the question; is East Asia pioneering new forms and geographies of business enterprise that might provide a productive basis for a shift in world political economic power towards East Asia, centered around China and Japan as the regions dominant powers?

This can also be seen in that the percentage of interregional trade to overall trade was about 25 percent in the early 1960s, 35 percent in 1980, and 55 percent by 2005 (Dent 2008, 43). In other words, as cross boarder production chains have grown, regional trade has proportionately increased also seems to suggest that the region is become increasingly economically autonomous from the west, as, for example, the proportion of Northeast Asia's trade with the US has declined over the last decade Japan and South Korea, for example, sent close to 40 percent of their exports to the US in the late 1980s. Yet “today, neither country sends even half that ratio to the United States, and both export far more heavily to China” (Calder and Ye 2010, 130). In fact, both Korea and Japan now trade more with China than the US. That being said, Northeast Asian regionalism is also a process of globalization; the deepening of Northeast Asia's structural role in global capitalism. China, for example, has become more dependent upon the US over the last two decades, particularly as it generally functions as a low-wage,
low value added manufacturing hub for higher value added components produced (Calder and Ye 2010, 131). That being said, these developments represent a significant shift towards Northeast Asia making itself into a region in its own right, and have provided for increasing political regionalism.

Historically speaking, Northeast Asia has been a region of major political animosities, preventing a push towards political regionalization. The US was able to use these differences to insert itself as the major political interlocutor balancing the power relations in the region over the last 70 years. That being said, increasing economic integration seems to be, to some degree, breaking down these old political divisions as the regional internationalization of capital has given states in the region increasing reason to cooperate to manage the region as a whole. These new links are developing both formally through the founding of new institutions and agreements and informally through think tanks, academic networks, movements of populations across boarders for tourism, university, and so on.

For example, the Boao Forum for Asia represents good examples of the formal/informal gradation of Northeast Asian regionalism. As the organization puts it:

As a non-government, non-profit international organization, Boao Forum For Asia (BFA) is the most prestigious and premier forum for leaders in government, business and academia in Asia and other continents to share visions on the most pressing issues in this dynamic region and the world at large. The Forum is committed to promoting regional economic integration and bringing Asian countries even closer to their development goals (Boao 2012).

In other words, the BFA provides a link between more formal and informal networks of policymakers, capitalists, and academics to work towards building a common regional vision of Asia. Initially, it was conceived to be an Asian counterpart to the World Economic Forum. It has tended to be de facto led by China, and is consistent with China's overall move over the last decade and a half towards more political integration in East Asian affairs. Also, as Calder and Ye write, “the majority of participants at the Boao Forum have been from either private Asian firms or, interestingly, from Western multinationals such as IBM, Microsoft, BMW, and UPS international” (Calder and Ye 2010, 150). In other words, it provides a space for both western capital, eastern capital, and eastern states to develop a common understanding of how to build Asian regionalism into global capitalism.
This paper has argued against scholars who have been prematurely suggesting that American power is in decline. First, I suggested that the most comprehensive way to conceptualize American power and its structural embeddedness in global capitalism is in terms of empire; an empire of capital linked together by a global network of banks and financial institutions, internationalized corporations home based in the US, and a global military apparatus. I then provided a short historical account of the ways that Northeast Asia was incorporated into American Empire and world capitalism. After setting up the context, I then showed the Northeast Asia has been, and continues to be going through a dual process of both integration into American Empire and regionalism against western dominance in a world historical perspective.

In this light, this paper concludes by suggesting that while there are significant Northeast Asian advances against American Empire and, in some respects, the region is become increasingly autonomous from the San Francisco System, in other ways the region has deepened its links with American power in recent history. Overall, then, I suggest that most of the fundamentals of American Empire established in the 1940s and 1950s are still in place on a world scale, and, although Northeast Asia has become, in many respects, the most dynamic center of world capitalist growth, particularly as the west has stagnated following the 2008 world economic crisis, its regional developmental path does not fundamentally challenge the American Empire, either in Asia, or, more broadly, on a globally embedded scale.

Although this is the case, if the momentum of Northeast Asian regionalism in terms of trade, finance, production, and international politics continues on the path it has for the last decade and a half, the future could see a deepening of this regionalism in a way that makes American power in the region less relevant. Additionally, if Northeast Asian states are able to build links with other emerging powers and forces acting against American Empire, such as the ways China has recently deepened relations with Iran, Brazil, and Sub-Saharan Africa, which I don't have space to discuss here, overall a multi-layered world-scale network of states and regions may develop in a way that the increased economic weight of Northeast Asia, along with other parts of the world, may turn into a challenge against what, in many respects, continues to be a western-led capitalist and interstate world order. And while scholars can continue to theorize these new linkages and their world-historical importance, speculating on the
future, we must also continue to acknowledge that, in some respects, since the decline of the non-aligned movement signaled a defeat of post-colonial states to fight back against western domination, along with end of the Cold War which increased relative American power, we still live very much in a world capitalism centered around American power, and the fight to challenge the tyranny of America Empire must begin in its heart, as much as in its arteries and veins.
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