

## Challenges to US Hegemony: America Will Remain the World's Strongest Nation for Years to Come?

By <u>Shane Quinn</u> Global Research, September 27, 2019 Region: <u>Asia</u>, <u>USA</u> Theme: <u>Global Economy</u>

It was always an impossible challenge for America to retain the unrivalled power she enjoyed in 1945, when the country controlled both ends of the earth and had a massively powerful economy. At the end of World War II, the United States' competitors were lying in ruins, including the USSR, which had almost been destroyed by the Nazis. Britain's economy was decimated and its role as a great imperial power was long over.

America controlled about half of the world's wealth in 1945, until the first blow swiftly fell in 1949 with the "loss of China", the world's fourth largest country, as communist forces took charge in Beijing. From therein, there has been a further decline of American power, but a gradual one. South-east Asia was threatening to pull free of Washington's control, resulting in the highly destructive war in Vietnam, and other American-led interventions such as in resource-rich Indonesia during the mid-1960s.

By 1970, America's share of global wealth had declined to about 25%, with the world economy becoming "tripolar", shared between the affluent countries of western Europe along with Japan in east Asia. Since the early 1970s America's financial decline has largely stabilised, and her share of world wealth still stands at over 20% today.

The greatest challenge to American hegemony is now undoubtedly China, a nation that has emerged at a rapid rate, catching the unsuspecting West by surprise. China's vast financial programs, such as her Belt and Road Initiative (BRI) and the Shanghai Cooperation Organisation (SCO), are a threat to the American and European financial order.

China is a very old country with a rich history dating thousands of years – and it is not easily bullied. When Washington shakes its fist occasionally at Europe or even Israel, their leaders usually acquiesce; but China has a habit of ignoring American wishes, and that is a disconcerting outcome for those in the US capital.

Unlike America, however, China has significant issues within its own borders, because of political and social unrest occurring in north-west China, and likewise in Hong Kong, which is an important commercial hub with trade links to the West. China also has a decades-long dilemma relating to the large island of Taiwan, which lies just over 400 miles east of Hong Kong.

In January this year, China's president **Xi Jinping** <u>said that Taiwan</u> "must and will be" reunited with China and that "independence will only bring hardship". Yet these aspirations could result in a military confrontation with the US, which nobody desires.

American governments have long pursued a close relationship with the Taiwanese, and the Donald Trump administration is attempting to increase collaboration with Taipei, Taiwan's

capital city. This year, American warships have sailed with growing frequency through the strategically important Taiwan Straits, a narrow stretch of water separating south-eastern China from Taiwan's coastline.

Beijing has expressed "deep concern" over these policies, which are indeed highly provocative and a demonstration of American military power. The US government has also approved recent arms sales to Taiwan, including the selling of dozens of F-16 fighter jets to the island worth a potential \$8 billion.

Western media reports on China's "increasingly muscular military posture" in the South China Sea, while <u>the United States pursues</u> "freedom of navigation patrols" in the Eastern hemisphere. There are of course no Chinese warships sailing through the Caribbean or near the coast of California, which provides a revealing picture of America's far greater strategic superiority. These navy patrols, beside the Chinese mainland and South China Sea, are resulting in rising tension between our planet's two strongest nations. America and China are also nuclear-armed and have advanced weapons systems, meaning that any incident could have very serious consequences.

Since Mao Zedong's death in 1976, China has shifted more towards a capitalist-style economy. Unfortunately, China's modern health and education systems have significantly declined in standards over the past four decades.

The death rate is today higher in China than during the Maoist years; while since the early 1980s, China's education system has mostly been decentralised and privatised, moving it away from government control and funding to vested interest groups – borne out by the introduction of fee-paying initiatives in Chinese education, having impacts upon poorer families the most.

Further proof of China's drift towards capitalism is relating to the rise of income inequality in the country, which is <u>approaching that of America</u>. Conservative estimates reveal that the level of China's private wealth has increased four times over from 1978 until 2015: Rocketing from 115% to 478% in the decades following Mao's death; while the share of China's public property has fallen from around 70% in 1978 to 30% in 2015.

Moreover, the level of national income among the top 10% of Chinese society has increased from 27% in 1978 to 41% in 2015 – while, over the same years, income totals of the bottom 50% of Chinese earners has declined from 27% to 15%.

Figures relating to the Human Development Index (HDI) are also revealing, which is a format that measures a combination of life expectancy, education, per person income, etc. In 2017, China ranked 86th on the Human Development Index, just two places ahead of war-torn Ukraine and 13 slots behind Cuba in 73rd, which has been under a crippling US embargo for six decades. America holds 13th position in the HDI table, Russia is in 49th and India ranks as low as 130th.

It may worth highlighting that it was a remarkable achievement on the part of the Castro government, to have produced an overall higher standard of living in Cuba by comparison to great nations like China, India and also Brazil – the latter country was situated six places below Cuba on the 2017 HDI. Led by **Fidel Castro** for almost 50 years, and succeeded by his brother Raul earlier this century, Cuba maintained its position in the "High Human Development" bracket, despite decades of intense pressures enacted by American governments.

Altogether, the United States remains the planet's richest nation. No other country can afford to dispense each year with hundreds of billions of dollars on its armed forces. America's position as 13th in the above index, is a reflection of the growing chasm between rich and poor in the country. Since the 1970s until today, wealth has accumulated in the top 1% of US society, who comprise the elite that largely dictates government strategy. About 70% of the American population has become disenfranchised over these past 40 years, effectively excluded from policy-making.

Income levels for the bulk of America's populace have stagnated, while the health and education systems deteriorate. The <u>death rate in America is increasing</u> for young and middle-aged adults, which is almost unheard of in the developed world. Offshoring of production has been harmful too for American communities, as urban infrastructure crumbles. Cities that were once commercial heartlands like Detroit and Pittsburgh are today strongly associated with the "Rust Belt".

China's share of national wealth, on a per capita (per person) basis, has in fact gradually decreased from the late 1970s until today, while her Gross Domestic Product (GDP) sharply increases, papering over the cracks. The vast majority of China's wealth has gathered in the pockets of the minority. There are now hundreds of thousands of millionaires in China, and the number is rising, while homelessness becomes a growing issue.

Meanwhile, America has a much larger military by comparison to China, not in terms of manpower, but relating to her overall apparatus, ranging from expensive warships and submarines to missiles and drones. In 2018, Washington spent at least three times more on its military than Beijing – while the Pentagon has shifted about two thirds of its armed forces to Asia-Pacific regions, with China surrounded by hundreds of US army bases.

One of the core elements of US foreign policy is regarding her armed capacities: Gunboat diplomacy. We have seen this with NATO's 70 year existence, which was founded on the basis of "keeping the Russians out". When the Russians disappeared in the early 1990s, NATO almost instantly expanded eastwards by absorbing the reunified Germany, in violation of verbal promises made to the Russians. NATO membership has almost doubled in size since 1999, taking in countries that border Russia like Estonia and Latvia, while North Macedonia will soon become the 30th NATO state.

In spite of appearances, NATO is fast losing its relevance as Washington becomes somewhat disinterested with the organisation. Then president-elect Trump had gone so far as to describe NATO as "obsolete". Trump, like his predecessors this century, has largely been fixated on China.

The George W. Bush administration had expressed fears over growing Chinese influence, but Washington's real shift in focus towards China can be traced to Barack Obama. It was president Obama who outlined America's "pivot" to Asia in November 2011.

Beijing's challenge to Washington is more a financial and industrial one, rather than a military conundrum. The Shanghai Cooperation Organisation (SCO), also called the "alliance of the east", is a Chinese-led political and economic association that ranks as its members other major powers like Russia, India and Pakistan – which in addition are all nuclear-armed nations.

The Asian Infrastructure Investment Bank (AIIB), founded in 2015 and headquartered in Beijing, is a Chinese-led multilateral institution which has attracted dozens of nations, including long-time American allies such as Germany, France, Britain, Saudi Arabia, Australia and South Korea.

A remarkable development in international affairs is Beijing's ability to lure Americanfriendly states, much to the dismay of US political leaders. It is a reflection of China's elite financial scope, which is now challenging World War II-era organisations like the IMF and World Bank.

In addition there is the Belt and Road Initiative (BRI), which is a Chinese-designed infrastructural program including investments in over 150 countries, and spanning thousands of miles across Eurasia. All of these developments have been of increasing concern to the Americans.

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