

**GLOBAL DOMINATION OR GLOBAL LEADERSHIP:  
AN ANALYTICAL PERSPECTIVE**

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**ABSTRACT**

In the international business and international relations literature, the prevailing sentiments regarding the role of the hegemony and global leadership appear unclear. The paper addresses the differences between global domination (hegemony) and leadership in the era of globalization. A framework is provided to differentiate between a hegemonic power and global leader. Furthermore, the paper suggests that in today's world there is a need for responsible global leadership to stabilize the world economy and enhance the quality of life for the world community. Implications for MNCs are provided.

**INTRODUCTION**

The journey of mankind, over the last few decades, has been full of contradictions: aspirations for peace and tragic wars; astonishing prosperity and widespread misery and poverty. Taken collectively, these contradictions, along with many others, reflect, to a large degree, an absence of visionary global leadership. In modern history, global leadership has been a complex but vital necessity for securing world stability and development. Columbus's voyages of 1492 marked the beginning of the ascendancy of European power. Portugal, the Netherlands, and Spain were the dominant powers on the world stage in the 16<sup>th</sup> century. Their rise and decline was an epoch in world history that could shed light on the use and abuse of power in pursuing national goals to the detriment of other nations' interests. The industrial revolution, which began in the last quarter of the 18<sup>th</sup> century, became the hallmark of western civilization and since that time, modern technology has emerged as the vital factor for enhancing one's position of power in world affairs. England, with its new economic clout and navy power in the 19<sup>th</sup> century, came to play a decisive role in world events for many years. The birth of the Soviet Union in 1917, and the rise of the U.S. as a world economic and military power after the Second World War, marked the emergence of a global tension between these existing world superpowers. Their ideological conflicts and their domination in various parts of the world polarized countries into capitalist and socialist camps. The collapse of the Soviet Union and the apparent "self-resignation" of Russia as a superpower has left the U.S. as the sole global power for the immediate future. The end of the Cold War is considered by many international relations experts as a blessed turning point in the history of humanity that coincides with the era of globalization. In fact, for a few years, there was optimism that the world was on the verge of peaceful transformation and prosperity. This optimism appears, however, to have been premature. Small-scale conflicts, invasion of sovereign countries by the leading global powers, regional instability, and economic and financial crises are a reminder that the world's problems are serious and that they require thoughtful leadership.

Critics argue that the abatement of the Cold War initiated the beginning of a new world system, a system that is characterized by at least three aspects. First, the plights and tragedies of many people in the developing world are tolerated in spite of widespread publicity. The seriousness of starvation, civil strife, foreign interventions and wars, for example, in Rwanda, Colombia, Angola, the Sudan, and the Congo have been given inadequate attention by the leading powers. Second, the unipolar world has become mostly hierarchical. The U.S. is the supreme power and other economically powerful countries are reduced to client-state status (e.g., Canada, Germany, Japan, and England) though the client-states have some degree of freedom in pursuing their national interests internationally. Third, nationalism and strong nationalist sentiments have become the driving force behind the supreme power's foreign policy. Yet, the supreme power denounces the same tendencies in other nations as manifestations of extremism and dangerous behavior. For example, U.S. Secretary of State, Madeline Albright (1998) asserted that "if we have to use force, it is because we are America; we are the indispensable nation. We stand tall and we see further than other countries into the future" (Para. 35).

This paper is designed to address the issue of world leadership in the era of globalization. It differentiates between global domination or hegemony and leadership. The authors hold that global change and aspirations accentuate the need for global leadership rather than hegemony. In the globalization era, the world's leaders should have a coherent vision based on peace, justice, and prosperity; display an unwavering commitment to principles of democracy and self determination for people across the globe, and demonstrate a commitment to equity and the quality of human life. First, many business leaders and corporations are actively engaged in defending human rights (e.g., William Clay Ford of Ford Motor Company, Dominic Tarantino of Price Waterhouse). In addition, emerging global executives play leading roles in building global consensus. These new actors find that it is not only a matter of principle, but good business practice to denounce violations of human rights and abuses of power. Second, because of the information technology revolution, powerful nations can no longer dictate events in most parts of the world. Events could be influenced by powerful actors, but it would be difficult to control them (e.g., the expulsion of the U.S. from the United Nations Human Rights Commission in May 2001). Third, people in the age of globalization have less tolerance for abuse than previously. Many people across the globe have experienced a taste of freedom which empowers them to denounce brutality and abuse. Fourth, it is impossible for a single power to shoulder alone responsibility for effectively addressing problems in a highly interdependent world. In this type of world, resorting to forceful suppression is more likely to lead to friction and resentment. As Gray (2006) argues, the hegemony "of the early twenty-first century depended upon a tissue of intangibles that was threatened, rather than invigorated, by the naked use of power.... We are moving into a world in which peace will depend on concerted action by several great powers" (para. 39). Lastly, non-government organizations (NGOs) have broadened their worldwide activities and have been inspired to assume the role of the guardians of principled conduct. Their active campaigns and well-organized information networks may deter some powerful nations from continuing historical patterns of abuse and misuse of their resources (e.g., Amnesty International, Green Peace).

## NECESSITY FOR GLOBAL LEADERSHIP

Modelski (1987) argues that the global system needs leadership for three reasons: because all political systems have it; because it performs a set of basic functions at the global level; and because the role has been successfully practiced in the modern world for several centuries. Some of these reasons are not quite accurate; leadership is needed, not because all political systems have it, and certainly not because it has been successfully practiced, but simply because political systems differ in their forms and natures. There are democratic and autocratic systems, and others that are in transition. Furthermore, the existence of any system does not ensure the existence of leadership. Leadership requires specific qualities and is a multidimensional socio-political process. Responsible leadership fosters diversity and stimulates creativity in political, business, and social conduct. Dictatorship suppresses both. In addition, the experience of past centuries evidences, at best, a consistent imposition of hegemony rather than leadership.

Modelski gave Portugal and England as examples of past global leaders. Both, however, were hegemonic powers. For example, the memory of the colonization and exploitation of the African, Asian, and Latin American peoples by Western nations invokes bitter feelings and outcries among these people. The arbitrary rules and decisions that were made by the colonial powers tragically paralyzed many of the colonized nations politically, socially, and economically. In the case of Africa, Koopman (1994) indicates that Western powers thought that there was “nothing human ... worthy of respect on the African Continent.” Therefore, “colonialists proceeded with the mass violation of human rights by destroying dignity” (Koopman, 1994, p. 64). This practice can be termed anything but leadership.

Modelski, nevertheless, underscores the functional roles of global leadership (e.g., agenda formation, mobilization, decision-making, administration, and innovation). These are essential functions. Performing them successfully differentiates leadership from hegemony. For instance, Modelski suggests that Portugal’s pioneering oceanic navigation, and Britain’s launching the Industrial Revolution evidenced leadership. However, these examples do not mean that Portugal and Britain made conscious decisions to perform global leadership functions. More likely, these activities were performed to facilitate the growth of domestic industry and to promote the national political agenda. Responsible global leadership must articulate vision, strengthen the collective behavior, and shoulder responsibility morally and financially to sustain common goods. The functions of global leadership must focus, among others, on providing global public goods to the world community. Traditionally, public goods have been debated in the context of the nation-state. Issues of defense, law and order, stability of national income, roads, and prevention of environmental decay are on the top of the list of public goods. The consumption of public goods by an individual or any entity is not subtracted from the consumption of others. Governments, rather than private corporations, have been the main providers of public goods. The interdependence and integration of the world economy accentuates the need for providing and maintaining global public goods as an important ingredient in the discourse on globalization and global leadership. This is because sustaining global public goods on a worldwide scale facilitates and enhances global economic stability and integration.

The list of global public goods, however, is more complex and certainly more controversial than that at the national level. The majority of today’s public goods have both domestic and global

implications. For example, prevention of crime, drug trafficking, child labor, pollution, the minimization of inequality, and AIDS threats have far reaching implications for world economy and stability. In fact, in the era of globalization, inequality becomes one of the most dividing issues threatening world economic stability. It is related to five major global public goods: international economic stability, international political stability, international environment, international humanitarian assistance, and knowledge (see Stiglitz, 1998 for detail). Indeed, these issues have both national and international impacts. Dealing with these issues effectively and on a timely basis attests to the existence or absence of global leadership. In this paper issues related to international economic stability and international security are given priority as the main global public goods. This is because without stable world economic and political environments, maximization of production and distribution of global public goods will be far from reality. In a global environment where economic stability is the norm rather than exception, donors are more willing to lend their resources and volunteer their time.

Global leadership, by definition, facilitates and enhances world economic stability and international security. It assumes certain functions that focus primarily on sustaining global order, reducing tension, and maintaining structural arrangements and mechanisms necessary for productive international relations. Kindleberger (1981) argues that for the world economy to be stable, it needs a stabilizer; a country that would provide a market for distress goods, a steady flow of capital, and a rediscount mechanism for providing liquidity when there is a monetary crisis. He suggests that Britain played this role during the nineteenth century, while the U.S. assumed it from 1945 to 1968. Mitchell (1992), on the other hand, asserts that the U.S. provides the needed international political and security functions. He argues that in terms of Gross National Product (GNP), military expenditure, and manufacturing production, the U.S. has been the dominant power and thereby it is qualified to be the world hegemonic power. For Gray (1997) global leadership must perform three hegemonic tasks: military, economic, and financial. These tasks are necessary for furnishing global public goods and maintaining global domination.

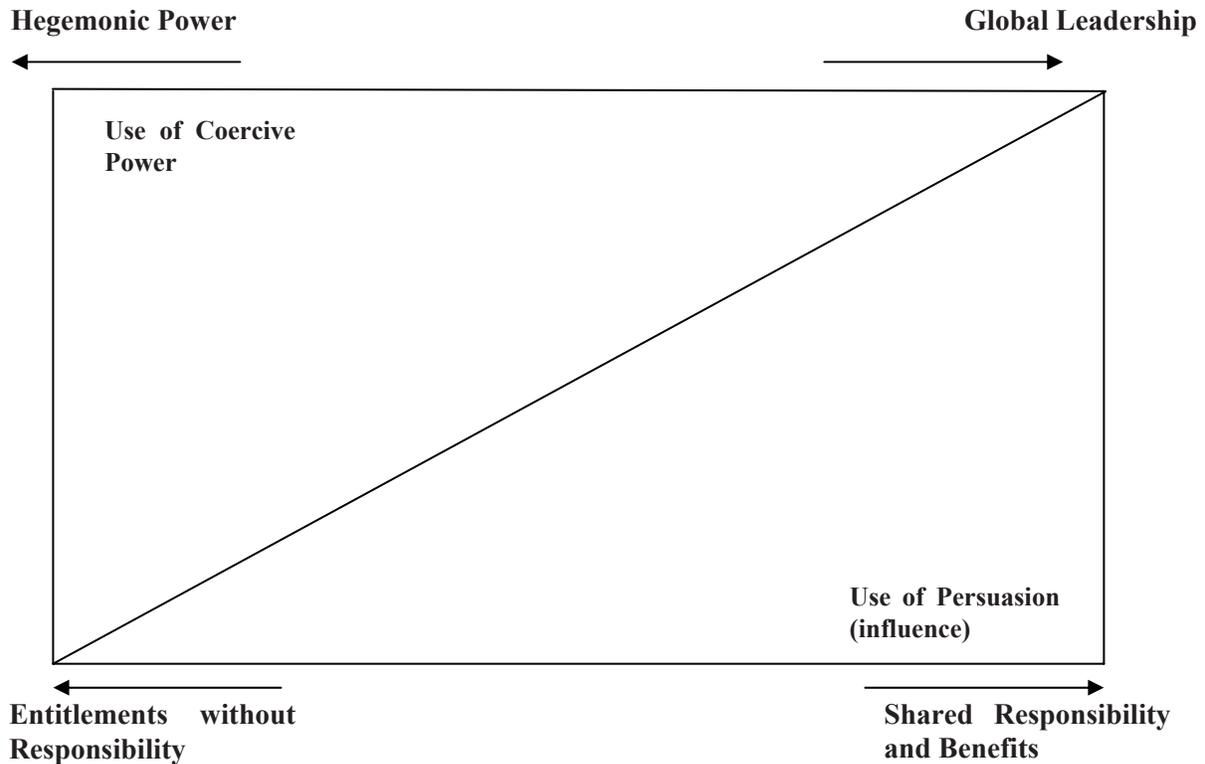
## **HEGEMONIC POWER AND LEADERSHIP**

One of the arguments that is often mentioned in the debate on world leadership is that “leadership” eventually degenerates into exploitation and domination (see Calleo, 1987; Kindleberger, 1981). Furthermore, the dynamic international economic and political balance of power, and the historical evolution of world community lead to the decay of the hegemonic nation (See Calleo, 1987; Modelski, 1987). The issue is whether or not hegemony and leadership are one and the same. In fact, both concepts have different implications for national, regional, and international affairs. While it is true that the hegemony state may engage, under certain circumstances, in some functions of leadership, nevertheless these are displayed selectively and as deemed necessary to maximize the national interests of the hegemonic state (e.g., Britain in the nineteenth-century provided the gold standard, and stable monetary policy; the Soviet Union sustained a stable income for its satellites for several decades). Once their preeminence began to erode, signs of instability floated to the surface (e.g., the rising conflicts and disintegration in the Arab World as the power of Britain and France weakened after the Second World War; instability and conflict among many countries that were part of the Soviet Union after the collapse of the latter).

The fact that power and influence are often used interchangeably in the literature induces researchers to overlook differences between hegemony and leadership in world affairs. Therefore, global leadership is viewed in terms of the power to dictate or control world agenda (Gray, 1997; Kagan, 1998; McGrew, 1992; Mengisteab, 1996; Mitchell, 1992; Talbott, 1998).

Political and world events over the last few centuries demonstrate that the forceful exercise of power is the essence of hegemony. Even liberal minded individuals within the hegemonic nation are not shy in espousing a hegemonic approach to world affairs. For example, Strobe Talbott, then the US Deputy Secretary of State, declared that, while taking into account the “foreign sensitivities to American assertiveness,” we must be proud of being hegemony. Indeed, power may “seem a heavy-handed technique for achieving desired ends” (Hollander, 1978, p.84).

Influence, on the other hand, is essentially persuasion; inducement founded on an open dialogue and objective reasoning. Figure 1 depicts the uses of power and influence by hegemonic power and global leadership. The Figure represents a continuum in which the degree and nature of responsibility is exercised by a powerful entity on the global stage. On the left, the hegemonic entity relies heavily on the use of coercive power and thereby dominates the global scene and is not accountable to others. On the right, the global power employs persuasion in influencing others and thus is inclined toward shared responsibility and benefits. In between, there are various forms of global power which can impede or secure the availability of public goods. Ideally, the closer such powers get to the right the higher the probability for optimal distribution of public goods.



**FIGURE 1. POWER BASE AND RESPONSIBILITY ORIENTATIONS UNDER THE HEGEMONY AND GLOBAL LEADERSHIP**

An article in *Time* (1996) suggests that power “gets its way,” while influence “makes its way” (25 most influential Americans). This distinction underscores a profound difference in orientations between hegemony and leadership. First, influence is viewed as “a vision” that inspires people or nations to discard their doubts, “an ability to connect with people” across the globe, and to comprehend the way they look at and react to events. Second, yesterday’s dominant powers such as Rome, Spain, Great Britain and the contemporary dominant power, the U.S., relied and rely on a single view of their own leaders and the elite. These leaders may have admirably served their respective countries. Nevertheless, their view was shaped by domestic political considerations, and did not seriously take into consideration the desires and aspirations of people living in other parts of the world. A political elite in a hegemonic nation, mainly answers to local constituencies and rarely pursues a vision that takes into account the wishes and goals of other nations. It can be argued that powerful nations who lack vision and resort to coercion in their relations are not influential, as they cannot attract a following and build the confidence and trust necessary for stability and global growth. Furthermore, power, if used unilaterally, creates friction, conflict, and resentment. In the information age, and in an integrated world economy, relying merely on power will impair the quest for a civilized global society. Likewise, in a highly interdependent world, global decisions must reflect, in general terms, the collective aspirations of world citizens, not just those of the G-7 elite. Global actions have a far-reaching impact, and the need to avoid global backlash demands that inclusion, rather than exclusion, be the mode for international relations. Certainly, this will enhance global understanding and the ascent to a civilized global society. In fact, in an interdependent and reasonably integrated world, leadership effectiveness is measured, as Chester Barnard argued,

solely by “the accomplishment of the recognized objectives of cooperative action” (Barnard cited in Hollander, 1978, p. 111). This means that the chief task of global leadership is to secure the recognized goals with the greatest possible consideration for the nations comprising the world community (Hollander, 1978). The Communist leaders in the former Soviet Union constantly presented the Soviet Union as the shining example of co-existence and economic prosperity. The collapse of the Soviet Union, however, uncovered the fact that many of its former Muslim Asian states, among others, had experienced cultural alienation and economic stagnation. Likewise, the British political and military domination over the rest of the world was seen by the British elites, too, as a means "of spreading growth and enlightenment throughout the globe" (Calleo, 1987, p. 145). In both cases, the hegemonic power lacked an adequate sense of history and insight with which to probe the future and act accordingly.

Viewing leadership as a hegemonic function, however, overlooks the essence and meaning of leadership. More importantly, it means that neither adequate infrastructure nor appropriate climate is available for providing and furnishing global public goods. In spirit and in practice, hegemonic power forces its will on others. The latter are considered insignificant and their wishes and interests are marginalized, if not, discredited. Experience clearly indicates that hegemony has a tendency to degenerate into domination and exploitation, and eventually disregards universally held moral standards. This point was articulated by Mengisteab (1996). In the context of African experience, he states (p. 152):

The U.S.-led camp of the capitalist countries essentially applied the carrot and the stick to attract and keep African countries in its sphere of influence. It provided some incentives in the form of economic and military aid to the countries under its influence. The price for siding with the U.S. camp was maintaining the socioeconomic structures left behind by the colonial system. The interests and ideological orientation of this camp, by and large, did not allow fundamental changes in the existing social order.

Therefore, hegemony is a process by which the powerful actor dictates its wishes to the less powerful parties through coercion, seduction, manipulation, and inducement. It should be noted that this concept of hegemony is different from the Gramscian understanding. Hegemony as theorized by Gramsci is not imposed. Rather it is achieved through persuasion and the consent of the subordinate groups (Buttigieg, 2005; Levy & Newell, 2002). However, hegemony as explained in this paper, is a model that is inherently abusive and is incapable of handling global affairs in the service of mankind.

Under a leadership situation, the aim is not to remake the world in the image of one nation; diversity within and between nations must be nurtured. In viewing global leadership as a socio-political process, the importance of learning, understanding and creative imagination is underscored as the hallmark of the process. That is, global leaders must have a sense of history and imaginatively probe the reasons for setbacks, challenges, and triumphs across centuries of humanity’s collective journey. More significantly, leaders must creatively define world reality and identify options for reaching an ideal future.

Table 1 highlights the most common differences between global leadership and hegemony. Leadership is viewed as the capacity to influence and inspire others through an effective, two-

way, interactive process to reach a common understanding of principles, norms and mutual goals relative to world affairs. The objective is to sustain global growth and cooperation.

**TABLE 1. CONTRASTING GLOBAL LEADERSHIP AND HEGEMONY**

<b>Dimension</b>	<b>World Hegemony</b>	<b>Global Leadership</b>
▪ Base of Power	▪ Military, financial, and economic resources	▪ Knowledge and reference
▪ Goal	▪ Military, economic, and cultural domination	▪ Devising collective principles to focus on world affairs, peace, and economic prosperity; offers directions for change
▪ Means for Achieving Goals	▪ Mostly coercion, force, and manipulation	▪ Dialogue and negotiation via well structured multilateral institutions
▪ Vision	▪ Creation of a world according to its own image	▪ Appreciation of diversity within the framework of the world community
▪ Underlying Motives	▪ Nationalistic superiority	▪ Collective understanding and the welfare of the world community.
▪ Actors	▪ A few dominate nations	▪ Leading nations, NGOs, global corporations and influential individuals
▪ Frame of Reference	▪ National experience	▪ A sense of history and the collective experience of the world community
▪ Decision Style	▪ Erratic and authoritarian	▪ Systematic and participative
▪ Orientations	▪ Generally, conflict oriented and secretive in nature; less inclined to play by the global rules	▪ Consensus building, transparency, and commitment to play by the agreed- upon rules
▪ Faith in Capabilities and Future	▪ Pessimistic and no confidence in followers' ability to contribute meaningfully to world affairs. Obsession with obtrusive domination and blindness to changing world reality lead to decay	▪ Optimistic and strong faith in collective judgments. This leads to continuing renewal
▪ Tolerance for	▪ Low tolerance and high fear of	▪ High tolerance

<p>uncertainty</p> <ul style="list-style-type: none"> <li>▪ Procedures for Solving Conflicts</li> <li>▪ Treatment of Followers</li> <li>▪ Attitude toward Change</li> <li>▪ Responsibility/Rights</li> </ul>	<p>uncertainty</p> <ul style="list-style-type: none"> <li>▪ Arbitrary, secretive, and exclusive.</li> <li>▪ Discriminatory in nature, preferences are determined by economic and cultural interests and domestic political priorities</li> <li>▪ Maintains status quo and views change as a last resort. Change, however, is highly guarded; it is a destabilizing factor</li> <li>▪ Subjectively releases responsibility but displays monopolistic claims on benefits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rule of law, openness, and inclusion</li> <li>▪ Relatively non-discriminatory and influenced by the need to maintain consensus and coherence of the world community; commitment to shared goals</li> <li>▪ Encourages change; a necessary means for understanding global trends and improving quality of life</li> <li>▪ Shared responsibility and benefits</li> </ul>
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It is possible to suggest that the primary differences between hegemony and leadership center around, at least, eight aspects. First, in a hegemonic environment, power takes the form of coercion while in leadership it is derived from consent. Indeed, hegemony undermines faith in the global institutions and obstructs the development of global peace.

Paul Wolfowitz (2002), the U.S. Deputy Secretary of Defense, articulated the use of force to ensure obedience when he stated that Pax Americana entailed “demonstrating that your friends will be protected and taken care of, that your enemies will be punished and that those who refuse to support you will live to regret having done so” (Wolfowitz cited in Keller, 2002, para. 42). Second, hegemonic power does not tolerate deviation and seeks to maintain the status quo; change is viewed as a threat to national interests. Therefore, change is only reluctantly pursued. Former U.S. President Richard Nixon (1992) asserted that the U.S., for example, had vital interests in the Arab Gulf area and had to ensure the survival of the regimes there. He stated, “The United States has no choice but to respond with military force if necessary to turn back threats to these interests” (Nixon, 1992, p. 36). Leadership, on the other hand, creates an environment conducive to genuine change and peaceful coexistence.

Third, the hegemonic power is secretive about its schemes and tends to divide the world into several camps (e.g., allies, potential rivals, rogue states or enemies, and insignificant followers). In contrast, leadership engages in open dialogue to creatively manage events for the benefit of all involved. The underlying assumption is that “we cannot do great work unless everyone shares both in the work and in its results” (Collier, 1971, p. 21). Fourth, hegemonic power does not

believe that entitlements and obligations go hand in hand. Evidence shows that both in the past and the present history the hegemonic power releases its responsibility when there is a serious world problem. For example, for the past decade, “Bangladesh, Nigeria, Fiji, and Nepal have been doing U.N. peacekeeping that the U.S. wants done but doesn’t want to do by itself. These poor countries ... have been paying the salaries of the U.N. peacekeepers themselves, while waiting for years for the U.S. to pay its dues. So the world’s richest country has been taking interest-free loans from the world’s poorest, dollar-a-day economies” (Friedman, 2001, para. 7). In the case of leadership, international relations are “two-way matters and [those] rights are matched by obligations” (Collier, 1971, p. 17). Fifth, the hegemonic power attempts to project its image on a global scale. It pursues its national interests blindly. Normally, the hegemonic power disregards the desires and aspirations of other nations and views world events strictly in terms of exercising its power and control. The interdependence of the world economy and global connectivity, however, have stimulated hegemonic powers in recent decades to give attention to their public image. Hegemonic powers, for example, justify their actions by manipulating multilateral institutions to approve plans that are designed strictly by them.

In dealing with other nations and actors, the hegemonic power most likely provides them with an “either/or” situation. President George W. Bush in his state of the Union address in January 2002 made it clear that nations which do not agree with his foreign policy approach are on the enemy’s side. In contrast, in a state where there is leadership, there is “a two-way influence relationship aimed primarily at attending mutual goals.... Therefore, leadership is not just the job of the leader but also requires the cooperative efforts of others” (Hollander, 1978, p. 2). Unlike hegemonic power, global leaders treat followers as stakeholders, thereby allowing maximum involvement possible in managing world affairs. Though, it remains to be seen, President Obama (2009) gave the indication that, unlike his predecessor, he is more inclined to engage others in matters that have global implications, stating, “The nations of the world have a stake in one another. The United States is ready to join a global effort on behalf of new jobs and sustainable growth. Together, we can learn the lessons of this crisis, and forge a prosperity that is enduring and secure for the 21st century” (Obama, 2009, para. 19).

Sixth, hegemonic powers normally have a short-term vision of the world order and fail miserably in learning from the experience of former dominant powers. By contrast, leadership is more likely to have long-term goals and a deep understanding of history. Seven, the process (e.g., trade and military domination and expansion) that stimulates the rise of a hegemonic power and its preeminence leads to its decay and eventual disintegration (e.g. Britain, Spain, Portugal, etc.). Indeed, the evolution of a hegemonic power is a backward process where success leads to domination, exploitation, and eventual disintegration. In contrast, global leadership is a relational process that is sustained by creative imagination and continuing revitalization and renewal. Success, therefore, deepens openness and the propensity for inclusion. Eight, the dominant actor in a hegemonic environment is a powerful nation or a selection of nations; a centralized power. For example, in recent years, the U.S. has approached international challenges by “working with others when we can, alone when we must, using diplomacy where possible and force where necessary” (Clinton, 1996, para. 13). Under leadership, the actors are leading nations, global corporations, NGOs, etc. These actors are driven to achieve mutual goals through a relational process. That is, influence is diffused globally.

## HEGEMONIC FAILURE

The preceding discussion demonstrates that the history of mankind has more often experienced hegemonic power rather than global leadership. Neither significant global understanding and peace nor a stable world economy has been realized in any noticeable period in recent history. In addition, the history of civilization proves that hegemonic powers are driven by their interests and these interests are pursued blindly or aggressively. The recent events in Iraq and Afghanistan demonstrate that the hegemonic power is able to invade but fails miserably in maintaining order or peace.

Harries (2005) asserts that:

Today, after its [U.S.] deployment in Iraq, the world is much more aware of its limitations and less impressed: aware that while it has an enormous capacity to crush and destroy, its ability to control, to impose and maintain order is far less; that while its technology is superb, the human resources at its disposal for protracted occupation or multiple engagements is seriously limited and the equality of its civilian and military leadership questionable. (p. 26)

Even if we assume that, hegemonic powers could produce and efficiently make available global public goods, no strong evidence exists in recent history to prove that either international economic stability or international political stability has been achieved. The 1997 Asia financial crisis and resulting economic crises in other parts of the world (e.g., Argentina, Russia, Brazil, Turkey), and current financial and economic meltdown (2008-09) provide evidence that the hegemonic power (U.S.) has not been able to furnish world economic stability. In addition, UN documents reveal that not only is the gap between rich and poor nations widening, but also “there are more LDCs (least developed countries) now than there were 20 years ago” (see Anan, 2001, para. 20). Furthermore, CIA director, George J. Tenet (2001) asserts, for example, “Over the past 25 years, Middle Eastern economies have averaged only 2.8 percent GDP growth—far less than Asia and only slightly more than sub-Saharan Africa. The region has accounted for a steadily shrinking share of world GDP, trade and foreign direct investment since the mid-1970s, and real wages and labor productivity today are about the same as 30 years ago” (para. 47).

International political stability, too, is not something that looks bright or promising. As a global public good, international political stability should assume priority on the agenda of global leadership. This is because it is linked to world economic growth and prosperity and is the foundation upon which civilized behavior and civilized institutions are built. However, in a world that is dominated by competing hegemony jockeying for superiority or by a supreme hegemon, the state of international political affairs is anything but stable. Narrow national interests and greed impede hegemonic powers from understanding history and imaginatively addressing world crises. For example, in the early years of the twentieth century, Britain failed to adjust to or accommodate the other rising hegemony. Therefore, it vigorously attempted to convert its slipping preeminence into an exploitative hegemony that eventually led to its collapse, furthering world instability (Calleo, 1987).

The events in Bosnia and Croatia, Kosovo, Cambodia, Rwanda, Somalia, Congo, Sierra Leone,

Colombia, Israeli-Palestinian conflicts, and the invasion of Iraq and Afghanistan, provide overwhelming evidence that international stability and security are far from a reality. These events coupled with potential nuclear conflicts create chronic crises. Hegemonic powers, therefore, will find it more and more difficult to manage conflicts in a satisfactory way. Every crisis requires that hegemonic powers have to divert important resources from the domestic to the international arena and vice versa (Both the chaos in Iraq and hurricane Katrina demonstrate that the hegemonic power has limited reach and resources). These resources would appear to be inadequate to meet the challenge of present and emerging conflicts. Therefore, these developments render strong support to the proposal that furnishing international political stability is a responsibility of leadership rather than hegemony.

Most international relations experts assert that hegemonic powers are doomed to failure. Layne (2004), for example, argues that hegemonic powers have a tendency to destabilize the world by antagonizing other nations. Samuel Berger (2000), Clinton's national security advisor, seemed to agree when he stated, "There may be no real threat to our power today. But if we use power in a way that antagonizes our friends and dishonors our commitments, we will lose our authority and our power will mean very little" (p. 39). Kissinger (2001) argues that resentment of hegemonic power is a fact of life and it is only a mere illusion to expect it to vanish. This is especially true, he argues, as American diplomacy since the end of the Cold War has steadily turned into a series of proposals for adherence to an American agenda. He concluded that the international scene displays a strange mixture of respect for, and submission to, America's power.

The issue, however, is whether there is any mechanism to sustain this strange mixture of respect and resentment. Logically, it is doubtful. The occupation of Afghanistan and Iraq clearly demonstrates that both "respect" and "submission" are subject to eventual erosion. For example, both the American and Iraqi people have gradually shown an increasing anxiety over the course of events in Iraq. The international community, in general, has exhibited a loss of faith in the ability of the hegemonic power to establish peace and/or restore order and tranquility.

In the literature, three plausible alternatives for hegemonic power are often suggested. Falk and Strauss (2003) assert that promoting a world order that is democratic, equitable, and sustainable necessitates the establishment of a citizen-elected Global Parliamentary Assembly (GPA). This GPA would create a democratic core to the international system.

Paul Martin (2005), prime minister of Canada, argues that most of the political problems in the world are left without solutions. He suggests that there should be a result-oriented forum to promote the exchange of views and to focus on how political leadership is needed in order to move forward. He called this forum the leaders-20. Membership in this forum, he suggests, would be drawn initially from G-20 and could then decide how best to broaden their membership in more explicitly political directions. Martin sees the world as a collection of groups with shared interest and aspiration. In this world, the boundaries between countries are growing fainter and successful countries are those who work as closely with their friends around the world as they do with their neighbors next door.

Former U.S. national security advisor, Zbigniew Brzezinski (2004), acknowledges that there are differences between hegemony and leadership. He, however, thinks that there is a possibility for

transforming the current hegemonic power into a global leadership. He postulates that competing powers and rivalry in the world demand the formation of consensual leadership. To make his point clear, Brzezinski differentiates between two types of superpower: Superpower Plus and Superpower Minus. The former leads “an enduring and enlarging alliance of like-minded democracies in a comprehensive campaign against the conditions that precipitate turmoil” (Brzezinski, 2004, p. 216). Under the state of Superpower Minus, the hegemonic power is selfishly derived from its narrow national interest and thus tends to ignore global turmoil and the worldwide political awakening of mankind and its intensifying awareness of intolerable disparities of the human condition. Brzezinski considers consensual leadership, at this critical juncture, as the only practical solution to prevailing disorder.

## **GLOBAL LEADERSHIP IN THE 21<sup>ST</sup> CENTURY**

Perhaps one of the most important realities of the twentieth century and the near future is the conspicuous absence of global leadership. Hegemonic powers have failed to transfer themselves into leaders and, consequently the providers of international political and economic stabilities. It is a matter of fact that these two global public goods, like other public goods, need a legitimate global provider. At the national level, governments through taxation and distribution provide most public goods. At the global level, and in the absence of global leadership, no agreed upon authority so far exists. Of course, creating a legitimate global provider requires collective action. Presently, this is obstructed by internal and external sovereignty considerations and by the slow adjustment of existing national and international institutions to changing global financial, economic, and technological conditions.

It is essential that the 21<sup>st</sup> century be led by a coalition of leading powers rather than a single power. This does, as Haas (2004) argues, need to effectively utilize existing governance efforts, rather than create new governance bodies and focusing on streamlining and improvement of performance and the establishment of workable multilateral alternatives. The coalition of leading powers should encompass “leader nations” and “surrogate leaders” (e.g., NGOs, global organizations). Currently, the latter are attacking global problems, but the approach has been largely ad hoc and random (Tarantino, 1998). To stimulate and stabilize the global economy, the leader nations must have a consensual vision and must be a catalyst for integration and collaboration by deepening and sharpening the art of global persuasion. The 21st century global leadership must focus on integrating all social and economic forces at the city, state, and regional levels and on a global basis.

To be a legitimate provider of global public goods, the leader nations must work closely with and stimulate surrogate global leaders such as NGOs, other global development and social agencies, regional and multi-cultural organizations, and global corporations. These surrogate leaders are capable of providing rich resources and talent necessary for facilitating global learning, understanding, and change. Unlike the State, these organizations have broader, if not, global constituencies, and are not driven by narrow national interests, and most likely, are not conflict driven. They have proven to be effective global forces in setting moral and ethical standards to minimize social suffering, while strengthening the foundation for cooperative utilization of existing resources. More importantly, surrogate global leaders, especially NGOs, perform crucial functions in sensitizing leader nations to critical issues pertaining to global public goods and in

mediating among governments to minimize sources of friction and misunderstanding. In fact, when a leading NGO, Amnesty International, launched its report, in May 2005, on the treatment of prisoners in Guantanamo at the hands of a superpower, it not only made international headlines but inspired widespread condemnation and calls for reform in Washington.

Is it likely or even possible for a country with hegemonic power to gravitate toward or even adopt a position of global leadership? Domestic, nationalistic and psychological pressures generally prompt the elites of powerful nations to embark on hegemonic courses of action rather than committing to multi-lateral and inclusive global positions. While this has been the typical case historically, the ascendancy of economic globalization and the degree of global connectivity have intensified the search for global cooperation and placed universal considerations at the center of many governments' agendas.

In a state of world politics where there is only one uniquely positioned power with a few other powerful states in a sea of fragmented and less powerful nations and NGOs, there is a tendency for the dominant power to be hegemonic. The center of power will most likely be tempted to manipulate world events and mold existing rules and procedures to optimize its interests. Furthermore, such a country will likely overlook the spirit and meaning of consensus and instead rely on coercive seduction to line up support for its political and economic policies. Consequently, world political, military, and economic arrangements are structured in a way to facilitate and serve the interests of the dominant force.

In a situation where there are noticeable and multiple autonomous power centers in a sea of minor but conscientious actors, be they States or civic organizations, there is a reasonably high possibility for the emergence of a governance regime that resembles global leadership. In this state of affairs, horizontal or "relational" pluralism will permit the maximum use of cooperative efforts and an emergence of a framework for addressing concerns and grievances and anticipated problems. A conscientious and deliberate discourse on universally accepted norms and behavior and shared goals will not only ease internalization of these norms but also provide a mechanism for minimizing if not preventing possible tendencies for the misuse of power. It is under this system that civic organizations thrive and the rights of economically or militarily disadvantaged members are protected. Indeed, it is in this system that NGOs can play a significant role in balancing the power of states.

## **CONCLUSION AND IMPLICATIONS**

Certainly, in the not so distant future, the issue of whether or not a global leadership exists will be a matter of debate. The optimism that accompanied the abatement of the Cold War has degenerated rapidly and the fear of a possible global calamity appears to have taken root in some parts of the world. While 9/11 was a reminder of existing challenges in adequately co-opting diverse political and cultural groups and or in satisfactorily addressing serious grievousness, its aftermath has deepened suspicions and strengthened the primacy of force in solving political problems. These developments constitute a threat to a collective world order and to economic stability.

Although the emergence of European hegemonic powers, in the seventeenth and eighteenth centuries, was instrumental in shaping world order and facilitating international trade and the surfacing of charter corporations (e.g., Dutch West India, East India Co. etc.) and subsequently multinational corporations (MNCs), in today's world hegemonic powers may be problematic. Furthermore, global trade and the diversity in ownership and location of MNCs (e.g., from Japan and emerging markets, etc.) may not optimally thrive in a world dominated by competing hegemonic powers where nationalistic interests and jockeying for influence are the norms. This fact, along with others, offers certain implications for MNCs and policymakers in various parts of the world.

The persistence of economic and political instabilities represents a peril for MNCs and for the integration of the global economy. Under a hegemonic regime, MNCs are more likely to squander time and resources to monitor hegemonic and other powerful actors' strategic interests instead of focusing on anticipating customer needs and meeting the challenge of market competition. Corporations may operate in less than satisfactory market conditions and face serious challenges in forging alliances and allocating resources to cope with ever changing world events.

In fact, in this state of global instability, the pattern of Foreign Direct Investment (FDI) and trade is expected to follow the familiar trends. Most FDI and trade takes place in East Asia, the US, and Europe leaving most of the countries in Africa and south and west Asia outside the core of the global economy. Furthermore, MNCs will be prevented from allocating resources according to the best available opportunities. Most importantly, in a state of global political instability where the threat of war and violence are part of daily life, citizens are not expected to seek improvement or diligently invest resources to improve quality and productivity. In fact, in an environment of fear and violence, consumer welfare, health, and safety are experiencing deterioration. Consequently, there will be less spending and less than optimal involvement in economic activities. It is possible too that in the state of global domination, trust will give way to fear and suspicion. Thus, domination will become a source of conflict and uncertainty instead of an instrument for peace and stability. Under this condition, the world will not be safe for either consumers or multinationals. As this condition persists, the dominate power may intensify its use of force to ensure global submission thereby generating a new cycle of violence and instability. Subsequently, global resources and talents will be squandered.

History clearly demonstrates that the evolution of global leadership is not the ultimate result of a natural transformation from a hegemonic position. Rather, global leadership is subject to evolutionary factors in global economy and international affairs. These forces are strengthened by a rapid global economic integration and connectivity of the world community, a deep-rooted worldwide desire for efficient production and distribution of global public goods, and by the rising influence of global NGOs. Therefore, global leadership is needed primarily to resolve inconsistencies between agreed upon principles (e.g., Universal Declaration of Human Rights) and realities in international affairs. More likely global leadership offers a better hope for world economic stability and growth and eventually strengthens the psychological foundation that the rights of the less powerful partners, especially developing countries, are protected.

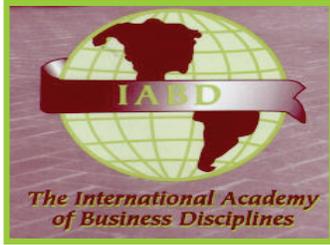
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