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THE ARABIAN PENINSULA: CRUCIBLE OF GLOBALIZATION*

The broad features of the contemporary world encapsulated in the two, now ubiquitous ideas of “globalization” under American “hegemony” have moved North American intellectuals in two different directions. One current operates on the principle that you don’t look back. The rush of events captures the imagination and absorbs the energies of countless idea entrepreneurs across a range of “new” issues from democratic transitions to humanitarian intervention to refugee movements. The moment appears ripe to set disciplinary agendas, refashion fields of inquiry, displace outmoded methods and epistemologies and, not least, restructure economies and polities.

Much writing about the Arabian Peninsula and the wider Middle East in the decade since the Gulf war reflects this tendency. Here we include all those who seek to explain why the region lags in the race to liberalize and transform “traditional” etatist structures and rent-seeking coalitions. We include those hopeful advocates of economic reform who tell of Middle East entrepreneurs struggling slowly but surely to topple the monuments to Arab socialism. And we include those who have written books, lectured Congress, and made movies about the coming democratic storm that would one day sweep the realm of dictators and emirs. But we also include all those stalwart comrades who, somewhat paradoxically it seems, write of America’s recent project of complete dominance or hegemony in the region, of the Middle East’s capitulation to global liberalism, local tyranny, and Hollywood’s relentless campaign of cultural conquest.

We identify ourselves instead with the “historic turn” in the social sciences and with those scholars who comprise a broad, alternative current in contemporary American intellectual life. Historically-oriented inquiry and analysis provide the counterweight to the myriad “new” and “post” languages and descriptions of the global security problematique in the late twentieth century, and to the proliferating accounts of imminent crises and incipient transformations. Thus, we situate the moment in which we find ourselves within a somewhat longer trajectory. Today’s so called “Washington round” of trade liberalization and global integration is, in reality, the second such effort in this century and the third in the last century and a half. In some earlier work (Vitalis 1995, 1996 and 1996a, and Vitalis and Heydemann 2000) we began to explore the rich politics of the earlier moment of A.I.D.- and World Bank-assisted

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“structural reform” that actually created the so called “traditional” public sectors and import substitution industries in Egypt and elsewhere. In this paper we extend the analysis to the Arabian Gulf.

The conventional, increasingly commonsense understanding of the idea of “globalization” is that of a world economy undergoing increased integration of production, finance, and trade. We argue that any such story about the course of the world economy in the 1940s (or the ’60s or the ’70s) and about the politics and culture of “hegemony” must begin with oil and in particular with oil in the Middle East. Knowledge that was once possessed when these processes were first set in motion and that constituted political economy as a “critical” discourse has since been lost both to globalism’s champions and to the new generation of anti-globalization activists and postcolonial theorists. This paper might therefore be thought of as a kind of salvage archeology of knowledge.

The first step is to back away a little bit from the current terms of debate: What does globalization entail? How far have these processes gone? Are the effects exaggerated? Do states still matter? And so on. With just a little digging one finds a good deal of evidence to suggest that these arguments have been rehearsed continuously in the United States each decade of the twentieth century. It appears to us therefore to be a kind of ritual. Taking part in it will add to the already countless artifacts piled on library shelves, in newspaper morgues, in public record office files, and university archives. This aspect of the debate is hard to see while one is a part of it, and when one's knowledge of the past is based on the invented traditions of seminar reading lists and literature reviews.

We can illustrate what we mean by way of analogy. In Egypt, a debate continues across the twentieth century about the underlying reality of “Egyptianness.” This is conventionally portrayed as a debate about the Pharaonic versus the Arabo-Islamic roots of national identity. Many smart people work hard to resolve a question that is, viewed from our vantage, unanswerable. This fact has not stopped other very competent historians from stepping in and trying to sort out the problem for Egyptians, separating fact from myth, staking out a middle ground, and so on. Once we saw that an argument about globalization is as ubiquitous within the American academy and society as the debate about Pharaonicism is in Egyptian intellectual life, we decided our time was better spent on other questions.

So, we shift the discussion from globalization to hegemony, both an idea and a debate that seems more clearly defined. Part One of this paper reviews the emergence of the concept of hegemony and argues that it provides a way to
conceptualize contemporary debates that is useful in the present and that establishes clear links to arguments about trade and strategic conflict that animate politics and political science for most of the twentieth century. Making the political science accessible to educated non specialists is possible but it will take some effort to check the power that the word now exercises over the minds of some oppositional intellectuals.

Part Two develops the argument about the Gulf’s centrality to the developments in the world economy that are more typically discussed in terms of globalization. Stated baldly, the post-World War II energy economy is the framework underlying globalization, understood here as integration, and the Middle East is the crucial factor in European recovery. We analyze American efforts to integrate Middle East, Asian and European energy markets. We also consider the course of liberalization. The American economy in the 1950s and ‘60s was, paradoxically, one of the most powerful drags on the pace of, and a core of the resistance to, globalization, when viewed through sectoral (energy) lenses. We discuss the efforts by Saudi Arabian and other oil producing states to open up the American market and, in light of this failure, to create “freer” global energy markets by nationalizing the holdings of US firms.

Hegemony, we propose, rests on more than the dominance of some states or even a state system by one especially powerful state. It also rests on the ability of elites within that dominant state to re-structure the subordinate societies and even its own to retain a position of power and privilege in markets that cross societies. The “decline” of American power in the 1970s and early 1980s was an echo of the decline of European power in the 1950s and had much to do with the re-structuring of global energy markets and consequently with the social frameworks within which production and distribution of energy occurred. Despite talk about the “arc of crisis” and plans to detach Hasa province from Saudi Arabia, there was neither a pressing security rationale nor a crucial economic one for the United States to intervene because as Benjamin Shwadran noted long ago, the crisis was never one of physical undersupply but only the requirement to buy oil on a free market (Shwadran, 382).

Gulf states gained a great deal in the course of the first Washington round. Potential empire builders were deterred from turning Hasa or Kuwait into provinces of one or another greater Arab state. The hegemon’s other, coercive or imperial face was softened. The 1990 war reminds us of the alternatives--then and now.
HEGEMONY FOR BEGINNERS

“No doubt it is a glorious ambition which drives Prussia to assert her claim to the leadership, or as that land of professors phrases it, the ‘hegemony’ of the Germanic Confederation.” (Times, May 5, 1860, p. 9)

In the land of professors, the term “hegemony” has served for about a hundred years to anchor discussions of hierarchy in what we now call the discipline or field of international relations (IR). International law, historians of ancient empires, students of nineteenth century German and Italian state formation, and analysts of great power expansion all used the term. American scholars of “foreign policy” and “inter-American relations” conventionally described US or North America as exercising hegemony over the Caribbean. Great Britain appeared to have exercised “world-hegemony” until around the time of World War I. And the Austrian émigré historian of City College, Hans Kohn, could claim in 1937 that the rise and industrialization of Japan, “which seem to threaten the economic and political hegemony of the white races, have been discussed in many studies” (262). In the wake of the Nazi conquests, the Soviet incorporation of Eastern Europe, and American postwar expansionism, the professors turned to thinking harder than ever about hegemony, and today teachers in introductory college courses in IR treat it as a basic concept in the field akin to “balance of power” or “national interest.”

The word may now be just as popular with educated readers and writers outside the academy, but it took a while for its use to catch on, to judge from a Lexis/Nexis search of major U.S. newspapers. The word did not appear in the New York Times or in other papers in the mid 1960s, whereas in a dozen or so academic journals it is found over 100 times. In 1969-1970, it is found 8 times in newspapers, but between 1971-1975, it appears in 89 stories. Use of the term exploded in the mid 1980s. In 1986-1990 it appears 365 times, in 1991-1995, 730 times, and in 1996 until now, 983 times. The earliest references report Chinese foreign policy pronouncements denouncing Russian hegemony. As the Nixon administration pursued its rapprochement with the PRC the word entered the official vocabulary of American diplomacy, leading the Soviets to protest. Chinese premier Chou en-Lai was also first in the New York Times to describe Nixon’s August 1971 decision to suspend convertibility of the dollar as a sign that the U.S. was “losing its imperialist position of hegemony” (August 29, 1971, p. 19). Foreign affairs columnist C. L. Sulzberger agreed, analyzing the decline in hegemony of the dollar two months later (October 10, 1971, p. 4).
The *Oxford English Dictionary* defines hegemony as “leadership” but the connotation in the bulk of the articles retrieved in the Lexis/Nexis search is “domination” rather than “leadership.” While the term is used most often in accounts of national and international politics and economics it may refer to other forms of domination. Lebanese complain of Syrian hegemony. The Catholics criticize Protestant hegemony in Ireland. The French denounce U.S. hegemony in Europe and German hegemony in the EEC. Americans oppose Saddam Hussein’s attempt at hegemony in the Gulf (as the *New York Times* once did the Shah’s). Giant entertainment companies exercise hegemony over the independent record labels in the pop music market. A music critic calls the word “jazz” the means to maintain European hegemony in music. The same sense of domination is often conveyed by the professors when they use the concept.4 We know it to be true above all for those “progressive” and “radical” social movements and tracts that continue to refer to U.S., capitalist, western, neo-liberal, etc. hegemony today, but our focus is on vocational political science and IR theory.

A strand of 1960s Chinese strategic discourse may well represent an unrecognized influence on contemporary American intellectual discourse. There is little doubt that De Gaulle’s campaign in the same period against the “hegemony of the dollar” was familiar to those writing on post-World War II American economic expansion.5 Such sources, along with the earlier twentieth century ones, go unrecognized in the anthologies, however, which credit the concept and, more accurately, the “theory of hegemonic stability” to two eclectic scholars: Charles Kindleberger an economist at MIT and Robert Gilpin, a political scientist at Princeton, and before them, to the Greeks! Kindleberger’s *The World in Depression* (1973) refers to leadership rather than hegemony of the international economic and monetary system and explores the consequences of states’ refusing the mantle of leadership, an analysis famously extended in Gilpin’s *U.S. Power and the Multinational Corporation* (1975). To these twin canonical cites we should probably add a third by James Kurth, a political scientist at Swarthmore, who presented a paper “Modernity and Hegemony: The American Way of Foreign Policy” at Harvard’s Center for International Studies in 1971.6 In 1973 the *New York Times* business writer Leonard Silk and the columnist Anthony Lewis were also dissecting the decline of American hegemony in international finance. The professors (and graduate students) would follow this lead through the rest of the 1970s and ‘80s.

“International political economy” or IPE, an entire new field of specialization and identity for American academics, emerged in the 1970s in the shadow of upheavals in the postwar international order, the rise of OPEC, and the U.S. defeat in Vietnam, driven, in fact, by these challenges to American
preponderance in world affairs. For us, and we suspect for others who began reading “theory” in the late 1970s and who were focused on the Third World, it comes as a surprise to learn that it was American “economic invasion,” “penetration,” “conquest,” and “domination” of Europe that was at the center of a disciplinary defining debate. “The United States in 1970 was”, as Gilpin notes, “in the throes of the Vietnam War, and anyone who linked U.S. foreign policy to overseas economic expansion was considered almost by definition a Marxist” (1997, p. xii). At that moment, however, the red baiting was most often aimed at “revisionist” historians of U.S. foreign policy, most famously, Wisconsin’s W.A. Williams.

Various neo-Marxist schools and scholars in the social sciences would flourish, briefly, later, in the late 1970s and 1980s, particularly within sociology. We include in this category dependency theory, world systems analysis, which was the most influential tendency inside American political science and IR/IPE, and third worldism. The field of IR in the United States was, however, much less affected by this insurgent moment than were other parts of the social sciences. Thus, to clear up one potential source of confusion, when most colleagues and graduate students write about hegemony today in IPE, it is not a sign that the ideas of Antonio Gramsci have somehow become part of the common sense of the discipline. True, marxists were being read more in seminars in the 1970s and ‘80s (than they were before or since). And today there is a small number of mostly European-trained scholars who bring Gramsci more centrally into theorizing about world order, although there is little prospect that these newest forms of structural marxism will win many adherents inside the US. What we can say is that as Gramsci’s work has become better known in the Anglo-Saxon world, some IR theorists are more likely to reflect on the nonmaterial dimensions of hegemonic power.

THE HIGHEST STAGE OF GLOBALIZATION?

Returning to the moment when the idea of hegemony made its way from vocational international relations to American newspapers daily press also shows that the “new” issue of globalization in the 1990s was a phenomenon that scholars were already concerned with in 1970. Like today, globalization was related explicitly to the issue of US power and the prospects for world order during a time of upheaval. Only, instead of globalization, two other terms were used: “transnationalism” and “interdependence.” Thus, the editors of the collection Transnational Relations and World Politics sought to understand the significance of “contacts, coalitions, and interactions across state boundaries that are not controlled by the central foreign policy organs of of governments.” “To what extent and how have governments suffered from a “loss of control?”
Gilpin’s own contribution to the volume makes clear that multinational capital was already widely held to be undermining the nation-state—a claim that he wanted to refute (Keohane and Nye 1972, pp. 48-69). Finally, consider the view of the world informing the once controversial Trilateral Commission Report on The Crisis of Democracy (1975): “There has been an explosion of human interaction and correlative a tremendous increase of social pressure. The social texture of human life has become more complex and its management more difficult. Dispersion, fragmentation, and simple ranking have been replaced by concentration, interdependence, and a complex texture.”

Today, globalization is, likewise, defined in simplest terms as “an increasing interdependence of national markets” (Siebert 1999, p. 8). These debates rehearse the claims about economic forces “serving to integrate important aspects of material life on the planet, whilst simultaneously disintegrating other forms of state and material and social organization” (Gill 1993, p. 246). The Atlantic magazine version of this dialectic puts it in terms of Jihad Versus McWorld. Each, breathless account of a new borderless world invites another rejoinder that states, politics, place and so on still “matter.” And while Paul Krugman baits Lester Thurow, others, more hard-headed and cold-hearted still, warn of the Coming Anarchy, the Clash of Civilizations (recall that Huntington was the primary author of the Crisis of Democracy).

Cast in part using slightly different language and in part in the same language, today’s debate about globalization in fact goes back a century or more. Harvard’s Raymond Leslie Buell, not Robert Keohane, in 1925, not 1971, first proposed the concept of “complex interdependence” to explain how both markets and ideas challenge assumptions from an earlier day about the inviolability of sovereignty. The argument is found In International Relations (p. 5) the first textbook with that title in the United States. Buell organized the entire book around the problem of nationalism and internationalism. A decade later, even as the free trade system of the Pax Britannica had collapsed, Eugene Staley’s War and the Private Investor (1935) showed how “the growth of international capital investment” was pushing toward “increased integration of the world.” And a decade later, the Republican Wendell Willkie was popularizing the same arguments in the widely read One World (1944) while American designers (one worldists, internationalists) were developing a new international architecture in support. A decade after Willkie, the founders of the International Studies Association were insisting that the statecentric view was “now reactionary and obsolete.”
Given what amounts to a ritualistic profession decade after decade that markets, capitalism, technology, etc. are drawing the world closer together, we should also expect to find examples of the Coming Anarchy/Clash of Civilizations genre produced as well, which, indeed, turns out to be the case. Reporting the arguments of geopolitical strategists like Mahan and Ellsworth Huntington, of patricians like Madison Grant, and many others, Buell’s International Relations discusses the challenges to and resulting reassertion of the “principle” of “White Supremacy” in the post World War I North Atlantic and Pacific Rim settler colonial states. The principle challenge was the revolt of the non-white peoples against white domination and control, and the reassertion was evident in a flood of new writings and theorizing in the 1920s on the coming global race war. These were the terms that self-identified Anglo Saxons used to portray unchecked labor migration, on the one hand, and the break up of the Austrian and Ottoman empires (“fragmentation”), on the other, as fundamental threats to world order. Such arguments continued to be produced through the era of decolonization in Africa and Asia. Since the 1960s, the concepts of “ethnicity” and “culture” and “civilization” have substituted for “race” in this century old tradition of inveighing against the dark side of globalization.

There are intellectuals and movements identified with resistance to these supremacist ideologies and the global hierarchies of wealth and power that such ideas sustain. We see ourselves as part of this tradition, in fact. We believe, however, that solidarity theory consistently confuses the concept of hegemony with that of empire or imperialism. Apparently, Immanuel Wallerstein thought so too, because in his very first writings on the topic in the early 1970s he emphasized how hegemony and empire were in a fundamental sense opposed rather than related forms of political order. If anything, the confusion has deepened since then, for three reasons. As we have noted, use of the term is now ubiquitous in and out of the academy in many different contexts. Second, as the word becomes part of the discursive arsenal to be arrayed against the US sanctions regime in Iraq or the operation of the National Endowment for Democracy in Nicaragua or in resistance to the spread of “global liberalism” everywhere, the distinctions we are eager to hold onto here are likely to seem arcane or, worse, proof that we are ourselves agents of a new, more insidious mode of domination. And, finally, adding to the confusion, we would point to the increasingly rigid and self imposed line that segregates those who do political economy and international relations from those who do postcolonial, cultural” and area studies.

HIERARCHIES
In IPE, the idea of hegemony most often refers to the hierarchical order among rival great powers. To reproduce one frequently cited definition, hegemony is “a situation in which one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so” (Keohane and Nye, 1977, p. 44). This idea of an order among states represents a challenge to those who instead imagine international relations more as a kind of anarchy or else governed very loosely and fitfully via shifting alliances (the balance of power). An empire is another form of hierarchical international order, in which one state effectively seizes power and rules the subordinate societies. “The domain of empire is a people subject to unequal rule. One nation’s government determines who rules another society’s political life” (Doyle 1986, p. 36). One might consider the differences in the domain and degree of influence or control by the United States over France and by Russia over Hungary in 1956 in deciding whether or not it is helpful to distinguish types and degrees of international inequality.12

Some will argue that hegemony is not so much a restrained and episodic form of interventionist politics by the US “in” France or Britain or Japan as it is benevolent (or not) domination over the institutions that were established after World War II: NATO, GATT, the World Bank, and the IMF. The hegemon uses its power specifically in order to secure the cooperation of other states in building and maintaining the political architecture to support an open and integrated (“liberal”) world economy. There has always been some dissembling about the objectives of an expansionist project of this type, particularly when, as Gilpin notes, such arguments were hard to disentangle from the political challenge of new left social movements and, we would add, later, the force of opposition of declining northeast and rust belt regions. Still it is not particularly controversial today to claim that hegemony served broad class and regional interests in the US (Trubowitz 1997). At the same time, those who defend postwar American hegemony as an example of “enlightened self interest” together with those who began to condemn it as a costly campaign on behalf of a misguided “ideological vision” point to important dimensions of a hegemonic order. Other states and classes consent because they gain more than token benefits in doing so, the hegemon pays a significant share of the costs of rule and acts with restraint rather than predatorily (Gilpin 1984, Cox 1987, Burman 1991, Ikenberry 1999, Hall and Paul 1999). Thus, the growing European protests against American expansion in the late 1960s, which we alluded to above, reflected a moment when US macroeconomic policies were attempting to shift more of the costs of hegemony to others.

Hegemony typically explains the two great periods of liberal market expansion in the mid nineteenth century (the Pax Britannica) and again in the
mid twentieth century (the *Pax Americana*). In both periods, a single power builds and sustains a free trade regime that enmeshes its major rivals. The British case makes it easy to see the distinction we make between hegemony and empire in the capitalist world economy. First, no one who writes on the nineteenth century would treat any of the rival great powers—Russia, France, Austria, Prussia, the Ottoman state, and more distantly the US and Japan—as part of Britain’s “informal empire.” Second, there were multiple imperial complexes coexisting at the time of the *Pax Britannica*. And third, the decline of the first liberal order coincides with the “imperial scramble” of the late nineteenth century, when these rival powers turned to increased exploitation and intensified (“formal”) control over peripheral zones. “Informal empires” quickly hardened into “blocs.”

This view of the nineteenth century is a revisionist one, which we have come to believe as a consequence of others trying to make sense of the politics of the world economy between the 1940s and the 1970s. The study of the dynamics of American hegemony in the sense that we use it throughout this essay follows, as far as we can tell, from the original arguments about American hegemonic “decline” *vis a vis* its capitalist rivals. These claims about decline produced not only new views of the past but a continuing argument about the present, specifically, about the extent and nature of America’s decline. It is in the course of this debate that the concept of hegemony became part of the everyday way of talking about international relations.

In the 1980s some scholars had returned to the earlier use of hegemony in analyzing various “spheres of influence,” for example, the US in Caribbean and Central America and the Soviet Union’s domination of East Europe. Amid the clash of ideological anticommunists and the new left in the 1960s, empire and imperialism had been discredited and were not proper “words for scholars” (Doyle 1984, p. 11). Bringing the term hegemony in apparently made it somewhat more legitimate to compare modes of domination among the superpowers. It serves for some as a way to distinguish our own era from a time when territorial conquest and the legal transfer of sovereignty were conventions of empire building. For others it stands for a less extensive form of domination than found in empires past and present. For still others, like Kurth, hegemony is a unique mode of conquest and domination of client states that is a consequence of America’s original antiimperial identity.

Those on the left whose anti-imperial identities mattered more than their vocational ones were unlikely to have been impressed by any of these particular emerging academic conventions. We would guess instead that the use of the term hegemony interchangeably with “neoimperialism” or “neocolonialism”
reflected tendencies and party programs in Managua, Johannesburg, Cairo, San Salvador, Harare, Lima, Mexico City and other places where a new generation of activist scholars traveled, studied, wrote, taught, and did field work, and where it has become common coinage. In Morningside Heights and Palo Alto, however, new trends in “theory” and cultural studies lists moved the professors in the same direction. We leave it to others to trace these currents in more detail.

The “traditional” or “realist” approach to hegemony as order among great powers contains important insights into the politics of the contemporary world economy. It draws our attention to “core” concerns of post World War II American policymakers to reorder the political economies of Europe and Japan, build a new liberal architecture, and prevent the rise of new rival expansionist powers (McCormick 1995). The continuity in this global strategic conception in the wake of the Soviet Union’s collapse is revealed in the leaked classified Pentagon planning document in 1992. “America’s political and military mission after the demise of the Soviet Union should be preventing the emergence of a rival superpower in Western Europe, Asia, or the Soviet republics.” What is the focus of this “benevolent domination”? Other “advanced industrial nations” that have the capacity to challenge US leadership or “overturn the established political order” (Tyler 1992, Brilmayer 1994, p. 1).

When one shifts perspectives from global strategists to global investors or “internationally mobile capital” or “giant transnational corporations” the projections of what places matter and what places do not (as viewed from investment banks in New York or Bonn or Tokyo) do not really change that much. The three largest integrated markets in terms of both trade and investment flows are North America, Western Europe and Japan, and both kinds of flows are growing more rather than less concentrated in the North. Direct investment (FDI) is actually declining as a proportion of total long term investments, and the major part of FDI is not in manufacturing, but in services, banks, speculative real estate ventures, hotels, golf courses and the like. Trade, too, is still a small share of GNP in most countries (Berger and Dore 1996, Weiss 1997, Dormus et. al 1997). The idea that the “globalization of production” is now transforming the world would seem no more true today than it was for each previous decade of the twentieth century, the claims of past, equally earnest generations of one worldists notwithstanding.

What we outline is by no means secret, obviously. Versions of this argument can be found in writings by historians, sociologists, geographers, political scientists, and, outside the academic markets, by Chomsky, who actually does read more in and out of our fields than any of us do. Still, many very smart people appear unaware of these basic elements of the post 1945
world order else are unconvinced of the relevance of this history to the newest new world order. There are true intellectuals of statecraft who dissemble or produce different kinds of knowledge “on” and “off” the record. Others are simply too close to whatever the issue is inside the beltway in any one year or administration—dual containment, the Saudis’ treasury woes, Osama bin Laden, promoting democracy, the Oslo process, and so on—to see beyond their own position papers and op ed pieces.

To the extent that area studies is a gathering place of various tribes of dissident intellectuals, other dynamics work in part to produce the same end. We have already specified one, namely the cultural studies turn. We are confident that most postcolonial critics and third cineastes are not reading Foreign Affairs and that Social Text does not fill the gap. Yet dissenters are no less prone than are intellectuals of statecraft to error and exaggeration under the assumption that “where one stands is governed by where one sits.” How many of us followed the lead of University of Chicago historian Rashid Khalidi in predicting that war with Iraq would unleash forces that would undermine America’s most vital interests? Others argue since then that the war has led to “total American hegemony over the Middle East” (Vitalis 1997) If true, we ask, then what kind of authority was being exercised by the United States in the region in the 1940s and 1950s? (Vitalis 2001) We begin to answer this question here by providing an account of the nature and limits of American domination in the Gulf and its relation to pursuit of US hegemony, even though it means having to let go of the idea that the power of the US state or American firms is a single and fully coordinated entity and that it can be measured on as a scalar quantity. The US was able to ensure expanding markets for Arabian crude oil without, at least initially, damaging interests of politically powerful economic actors at home. Hegemony, as leadership, is never neutral but it is always political and always requires attention to the care, feeding, and pruning of coalitions.

We offer up an idea in trade for dissidents’ conceding the force of this argument, because our work underscores one way in which international inequality or hierarchy is reproduced over time. To put it in the simplest terms, a particular set of norms—call it hegemony—applies in relations among a superior caste of states and another set of norms—call it empire or dominion or dependency, terms used by North American scholars since the 1920s—applies when dealing with the weaker, subordinate, inferior caste of states. Before World War II this international caste system was defended by policy makers, intellectuals, and the white working class as a natural order among “races.” Recall W. E. B. Du Bois, who was perhaps America’s most trenchant critics of global hierarchy, identifying the “color line” as the problem of the twentieth
century (Du Bois 1903, Vitalis 2000). Now it is more common to find international inequality explained as a natural order among “states” rather than races, “The strong do what they will, the weak do what they must.” It may even be more common to act as if inequality did not exist.

Consider the exemplary explications of American “liberal hegemony” by John Ikenberry and his colleagues over the past dozen years (Ikenberry 1989 and 1999, Ikenberry and Kupchan 1990, Duedeney and Ikenberry 1996). “A remarkable aspect of world politics at century’s end is the utter dominance of the United States” (1999: 124). Ikenberry argues that it is the particular liberal characteristics of American hegemony that explains it’s durability. He describes the American century as a “restrained” and “penetrated” order, where western allies had an unusual degree of “voice” in American domestic politics, and where over time institutions came to “lock in” the partners. He contrasts this liberal “settlement” (that is, the creation of a new order after World War II) with the “containment order” or settlement with the Soviet Union.

What is thus truly remarkable in this account of world politics is the complete disappearance of what were once known as the “inferior races.” Thinkers like Mahan, Bryce, and Adams, who Ikenberry describes as the intellectual sources of American liberal hegemony, were also outspoken racial supremacists.17 A color- or third world-blind analysis today hides not only a herrenvolk democracy’s old ruling ideas but the reality of international inequality, the missing third “postcolonial” settlement. One has to read these works carefully to realize that rules of liberal hegemony apply to industrialized states only. We don’t doubt that if Ikenberry would give some thought to America’s dependencies and how they matter, he would acknowledge that different rules of world order apply across the entire twentieth century. After all, the varieties of “embedded” or “structural liberalism” theory that describe the postwar order are, it would seem, extensions of Hartz’s influential beliefs about American culture applied to the “western world” as a whole, and Hartz himself accepted that illiberal institutions were a paradox that required explanation (Hartz 1964: 49-50). A standard explanation is that slavery or colonialism or racism are atavisms, foreign imports, a reflection of antiquated modes of production, and so on.

A defining characteristic of left approaches to international relations theory is, in contrast, an abiding concern with inequality and hierarchy (Brilmayer 1994: 11-14). What is a paradox for liberals is more convincingly understood as an enduring feature of world order. And the more one emphasizes American hegemony’s essentially consensual dimensions, the easier it is to draw the boundaries beyond which more prosaic mechanisms—invasion,
assassination, torture, bribery, segregation, etc.—reflect the exercise of power. We think it important to keep this border zone firmly in our sights as long as investors or soldiers or states continue to operate unhindered inside it. In many ways, however, the left makes it harder rather than easier to see the dividing line. Various forms of “transnational” class analysis, romantic anticapitalism and antiglobalization ideologies, and the turn to criticizing “imperialist” global culture industries should be considered from this angle. Those who work on the “Global South” can end up with a map of world politics as distorted as those who, like Ikenberry, work on the West.

In *Promoting Polyarchy: Globalization, US Intervention, and Hegemony* (1996), William Robinson uses Gramscian international relations theory to make sense of the turn by recent American administrations from supporting dictatorships in Latin America to promoting democracy. A one time resident of Nicaragua, Robinson explains, and critiques, the shift as part of the process of securing “consensual domination” or hegemony by “a transnational elite which is the agent of transnational capital.” We leave this familiar sociology to the side. What concerns us is his explanation for the new US foreign policy, namely, “the shift in the locus of world tensions from East-West to North-South, and the emergence of a truly global economy” (3-4). Similarly, in his exposition of the earlier cold war era of dictatorship promotion, he says that behind “East-West relations...North-South relations were always intrinsic and central to the whole Cold War era (14-15). *West-West* relations thus disappear as an analytical problem in this neo-neo-Marxian framework in ways analogous to the disappearance of North-South relations in Ikenberry’s liberal framework.

Viewed from Managua, which was treated like a protectorate by the American state for decades prior to World War II and the design of “grand area” plans for European reintegration and cold war containment strategy, Europe loomed slightly less large, perhaps. We know this not to be true for investors in the agroexport sector and so we doubt that it holds for the Somoza regime. But in the 1970s, surely, the Sandinistas were developing strategies based on assumptions about American relative hegemonic decline *vis a vis* its capitalist rivals.

The blindspots typically found in these competing approaches to the political economy of hegemony will become obvious once we move from the world of the professors to the world of firms and states, shifting our vantage point to Dhahran, the New York headquarters of Exxon and Mobil and the Secretary of War’s Office in Washington.
ADVANCED HEGEMONY

Crucial to the emergence of American hegemony after World War II and to the origins of globalization was forging a new, secure quasi-market relationship between the Middle East supplies of crude oil and European demand mediated by American firms. This, well-known and essentially accurate, description is a set of stylized facts that have no causal or dynamic relationship. We analyze this relationship by giving equal weight to the role of firms as well as markets and states, by placing US foreign policy in its appropriate domestic context, and by placing the social and economic transformations in Europe that US hegemony required in sharper focus than international relations specialists generally do.

We conclude that US hegemony does not necessarily maximize the strategic concerns of US policymakers nor the economic advantage of powerful US interest groups over time. Specifically US hegemony and the transformation of world energy trade allowed for a transition from a regime of bilateral global trade to one of global markets. Hegemonic restructuring of the global economy created the necessity for American firms to re-adjust nearly constantly to the outcomes of hegemony as a dynamic process. The most important single way in which our analysis differs from the existing analyses is by placing firms as independent rather than subordinate actors with states in the global economy. Firms have their own organizational structures distinct from those of states or markets, their own policies, and even their own international relations. Nearly as important as the focus on firms, however, is our related insistence on the specificity of the oil economy: it is not simply one form of capital investment but a key to the transformation of Europe’s market, transport and social structures unparalleled since the emergence of the contemporary state structure in the middle of the nineteenth century. European and Japanese dependence on Middle East oil transformed their economies away from autarchy toward highly complex patterns of global trade. American firms were themselves pushed to develop far more complicated organizational structures to link supply and demand outside the country in which they were nominally domiciled and consequently the emergence of far more complex structures of recruitment and control than any earlier firms that engaged in international trade to link metropolitan economies with colonial ones.

One important feature of any discussion about American hegemony is that it must do more than describe. It must, for example, explain why American hegemony over Europe, Japan and the Middle East looked different than each of three contrasting cases:
• American dominance of Central America (or Soviet dominance of Eastern Europe);
• European dominance of North Africa and South Asia and Japanese dominance of Taiwan and Korea;
• Independent Europe from 1870-1945.

In short, an explanation must tell us why the mechanisms that produced direct colonial rule or "indirect" "informal" modes of empire did not work in the Persian Gulf, why the Gulf states were allowed significant sovereignty (including nationalization) in contradistinction to the so-called banana republics; and how was Western Europe transformed from a zone of destructive and total war to one of peace and economic growth?

Our argument is quite simply by design US policymakers wielded the tools of hegemony to deny other Powers sufficient autarchy to wage war and in the process transformed a global trade regime into a global market regime. Unlike Bromley or the neo-marxists we do not argue that the oil trade was simply one example of capital export because such models fail to explain why the Persian Gulf countries were never fully subordinated to American political control. We believe the oil trade was a very different kind of trade than the bilateral monopolies that characterized colonial trade. However, unlike Krasner, we do not believe that the oil trade was trade in a necessarily strategic commodity. On the contrary, we believe the dramatic increase in oil trade transformed it from being a strategic good to being a commercial good. The volumes of trade necessary to create a global economy cannot rest on strategic concerns. Lastly, unlike Robert Keohane we do not believe that the oil is best characterized by the efforts of its institutions on the supply side to construct an oligopoly; on the contrary we believe that the use of market models to identify the pressures and strains on global oil trade and the incipient pressures to create a market best explain the political dynamics.

We advance a concept of “neotriangular trade” as a way of linking institutional changes that transformed bilateral trade into global markets. In using this term we deliberately seek to refer to the triangular trade the undergirded the creation of the Atlantic economy in the 18th century: slaves, sugar and rum. We are aware that the Atlantic economy was, like the global economy and neotriangular trade, a far more complex historical entity than the triangle trade. What matters is the existence of trade patterns that link different regions of the world without the necessity of strict political subordination of the entire trade network. In the creation of the oil economy, firms linked the Middle East to Europe and Japan, thereby requiring those regional economies to earn dollars and more closely tie their economies to the US, while not (at least
initially) selling much oil from the “triangle” to the US itself. Consequently the structures of global oil markets differed in many ways from those for other products produced in the third world.

The political consequences of how commodity trade is organized differ significantly over time and place. It is instructive to compare two different kinds of commodities: oil and bananas. Interventions by the United States in Central American producers of bananas were frequent in the first half of the twentieth century and European powers engaged in protracted periods of direct colonial rule over the banana producing countries of West Africa. Like other commodities, including oil, bananas require extensive fixed investments in shipping and access to retail networks to dispose of the products to consumers. So tightly linked are agricultural interests that the banana trade, unlike the oil trade, remains almost entirely bilateral. It has proven almost impossible, for example, for American firms to gain entry to banana markets in Europe that are primarily supplied from Africa. There is therefore no true world market in bananas; nor are there secondary markets (futures). It would be difficult, however, to apply the functionalist arguments about US domination of energy to the banana trade. How sensible would it be to insist that the banana trade is of so much more strategic importance than oil that states that could not maintain energy independence have nevertheless retained autonomy in regard to tropical fruit?

The energy trade is not simply one example among many of dominance. It is constitutive of the contemporary global market and the global trade in oil made possible a transition from a world of autarchic trading states to a world of interdependent economic sectors. This becomes more apparent when we recall that coal was the historical source of energy outside the United States from 1870-1945. As the authorized history of Standard Oil is titled, the first 50 years of the oil trade were “the age of illumination.” Until the second decade of the twentieth century the world’s navies powered by coal and access to coal was crucial to the construction of a modern industrial economy. The dominant coal economies of the early twentieth century (especially in Great Britain, Germany, and Japan) sought energy autarchy through coal production and had social structures dominated by the production of coal. They had relatively large mining sectors and an extensive trade union structure as well as socialist parties based in mining communities. In Germany and Great Britain, the coal-based energy sector of the economy was one of the largest employers of labor. So strong were the political interests tied to these economic sectors that before Margaret Thatcher, not even the British government (which owned a controlling interest in the company that later became British Petroleum) made much of an attempt to transform a coal-based economy into one based on oil.
Fuel oil and gasoline were, until 1945, rarely used fuels in Europe and Japan (Bamberg 268). For the most part they were strategic fuels that powered the transport mechanisms of war rather than being widely used to promote the domestic economies of peace. The U.S. contained more cars and trucks than the rest of the world combined in 1937 and had the world’s smallest per capita ratio of people to cars (5.3:1). Germany had about 9% the number of trucks as the US and about ten times as many people per truck. The degree to which the US had become the pre-eminent oil economy is even more stunning when compared to Britain. Although Britain had nearly twice the gross registered tons of shipping as the US (roughly 17.5 million to 10 million), the US merchant nearly totally oil fuelled (85 percent as opposed to 50 percent for Britain). Consequently US oil-fuelled tonnage was almost equal to that of Britain, the dominant naval and merchant marine power of the period (Mejcher 28-30).

Access to oil (Iran for Britain, Rumania for Germany, China for Japan) was far more crucial to military preparation than for economic growth and oil fit well into the strategic notions of bilateral and tied trade that characterized the colonial empires of the period. The reliance on coal continued despite the increasingly high levels of investment needed to produce coal and decreasing productivity on every measure during the 1930s. Coal allowed states in the neomercantilist world to live off their own resources while procuring just enough oil to make war. Before World War II, the major European powers (Germany, France and Italy) sought to enlarge their strategic stockpiles of petroleum products and to secure hydrogenation and other schemes to convert coal to oil. In response as with Japan, the Entente powers “aim was to keep both Germany and Italy dependent on foreign controlled oil” (Mejcher, 47).

Ruhr coal was central to the Germany economy but German coal was also crucial for the French economy: “Its potential to inflict economic damage was immense: without coal nothing ran and when it became too expensive nothing could be sold” (Gillingham [1985] 5). Agreements before World War II between German and French steel makers as well as much of the reparations burden depended on the Ruhr producers as a silent partner in the creation of a European cartel (Gillingham [1985] 21). Germany’s inability to produce enough coal was a critical factor in the failure of Third Reich (Gillingham [1991] 45). The revival of the European economy and the French proposals for tentative steps toward European integration arose in part out of attempts by industrialists to find a new Franco-Germany solution to the revival of the coal fields and to ensure their return from control by the Occupation authorities to private hands (Gillingham [1985] 166).
AMERICAN POLICY CHOICE

It is easy to forget today that the problem faced by American policymakers between 1944 and 1948 was not the extension of US hegemony. It was to ensure that neither Germany nor Japan could re-arm; in other words, it was to pursue the policies of the Entente powers before the war. Even as the focus of US policy makers shifted to containing the Soviet Union, they understood that anti-Soviet policy had to be accomplished by re-integrating these two former enemies into the circuits of world trade while still denying them the possibility of re-arming. In 1944 President Roosevelt embraced the Morgenthau Plan which “demanded...quite literally the dynamiting of all factories and the flooding of all mines...no choice remained but to restore the economic conditions of 1860” (Gillingham [1991] 101). At least briefly, the Morgenthau Plan was the official policy of the United States and Great Britain and it would certainly have made the imposition of American sovereignty on post-war Europe very different from what actually emerged.

There was disagreement with the Morgenthau Plan but not with the concerns about a plausible threat a revived German military machine held. Thus Harold Moulton and Louis Marlio produced a study for the Brookings Institution that clearly exposes the dilemmas already perceived by policymakers before the end of the war. Because modern war preparation involves a lead time authors suggest that prevention rather than sanction is crucial (Moulton and Marlio, 7) and two guiding principles “the economic devices must not be permitted to throttle the economic life of the country against which they are imposed” and “the economic control measures selected must be administratively feasible—relatively easy to enforce” (Moulton and Marlio, 8). Crucial to denying Germany the possibility to re-arm was to limit her ability to get the fundamental materials of war: the petrochemical and metallurgical industries.

Petroleum is of course indispensable for a mechanized war of high mobility and vast movement. It is essential for the operation of naval vessels, airplanes, tanks, and other vehicles. At the same time, fuel oil consumption in war and peace industries alike must be continued at a very high level...The prohibition of synthetic oil production upon which Germany now relies for more than 40 percent of her supplies would seriously restrict a war mobilization program. In the future, moreover, it would doubtless cripple such a program since geologists foresee the gradual exhaustion of natural oil and a consequent greater dependence upon synthetic products. The number of synthetic plants is not great and such establishments can be readily detected. Hence the administrative problems would be relatively simple. Moreover, synthetic oil is
very costly, and it would be cheaper for Germany, at least for some decades, to use imported natural oil (Moulton and Marlie 41).

Thus they proposed prohibiting plants to synthesize oil from coal but not refineries as such. At the time refined products were more usually imported than crude oil but the crucial concern they voiced was the effectiveness of the oil trade for making it possible to swiftly limit access. Thus “this type of control [over refineries] would not, however, be very important so long as Germany is obliged in any case to import the larger part of the crude oil required” (Moulton and Marlie, 42). The arguments about Japan were quite similar although Japan was understood to be even more closely linked to international trade (Moulton and Marlie, Bromley, Bamberg 268, Yergin 427).

As is well-known, the initial steps toward European integration required solving the complex problems of linking the German and French economies through the coal and steel industries and the most important institutional breakthrough was the Schuman Plan and the creation of the European Coal and Steel Community. The plan solved the problem for Washington of how to extend its influence to Europe and, in brief, allowed Germany to return to European economic dominance without the use of military force (Gillingham [1991] 365).

GLOBAL PETROLEUM TRADE

There was not, strictly speaking, a global oil market before 1975 although there was global trade in petroleum. International trading in oil was carried out almost entirely by a small number of firms that integrated the entire process of production and marketing. Consequently international prices in oil, unlike those of most other commodities, were highly stable. Domestic economies varied greatly in the degree to which markets in oil existed. The United States was the one country with the largest demand for oil was also the world’s largest producer and had the most nearly complete set of physical goods markets in oil. The large capital requirements for oil production and the oligopoly firms that traded it made for a highly regulated market in oil as a physical good, relatively small inventory capacity. Consequently not until the 1980s did futures and options markets in oil and related products develop — long after similar markets in other major commodities (Goldberg and Rojas, forthcoming). US production and marketing were shared by the majors (primarily from the Standard Oil trust) with a relatively large number of smaller (“independent”) firms.
Despite the claims of many international relations theorists such as Bromley and Keohane that oil prices were relatively low before 1975 and that price stability was necessary for economic growth, firms saw a very different picture. The dominant concern of firms between 1945 and 1975 was price and sectoral competition. There was every reason to expect energy prices to fluctuate while tending generally downward. The energy sector was one of potentially fierce price competition: the price of a British thermal unit extracted in the Persian Gulf was a fraction of the price of a BTU extracted from longwall mining in Germany or Great Britain and only a slightly larger fraction of the price of a BTU extracted from the United States. Yet what is most remarkable about the price series for so crucial a commodity as oil in the years after World War II is its remarkable stability. No other commodity could have shown such stability nor did oil show such stability before the war. The reason is that no other commodity was produced under such tight oligopolistic control. Of course in no other sector could a plausible argument be made that preserving price stability was in the interest of the consumer.

The most important conflict to integrate Germany and Japan into a global market structure under US hegemony was therefore to ensure that the effects of market competition did not destroy the European or Japanese social structures through the elimination of the mining industries. Both the large oil companies and the Arab oil producing countries would have welcomed opening European markets to free trade in energy far more rapidly than in fact occurred. The speed with which European energy markets opened, however, also depended on the level of capital investment available to shift from a coal-based to an oil-centered economy. As long as the US market was closed to imports prices for Middle East oil in Europe were below average global prices which further intensified the shift to oil.

The projection of American hegemony which would have profound social as well as political effects on the rest of the world through increasing trade and the prominence of markets required a sharp limitation on how efficient those markets could actually become. The projection of American hegemony required that America itself not be affected by the institutions that instantiated that hegemony. Because non-US oil was much cheaper than US oil, imports began to rise as early as 1954 when they were 15 percent of production to 19 percent in 1957. Independent oil producers demanded tariff and quota protection and were rewarded in 1957 with explicit voluntary controls that were replaced by mandatory controls in 1959. The US oil industry after 1959 resembled the fabled “import raj” of India more than a market between 1959 and 1970 as a brisk market in tickets (the right to import oil) developed that ensured relatively high and stable prices (Yergin, 539).
SECURITY OF SUPPLY

Maintaining a steady supply of oil to Europe has been a concern of US and European policy makers since 1945. The United States has never been particularly concerned about its own dependence for energy or even for oil on the Middle East. Rather “the principal source of U.S. concern about its energy situation is the dependence of US allies upon Middle East Gulf sources” (Conant, 15). As soon as it became clear that Europe would be dependent on oil from the Middle East and that North Africa would be made up of independent states, these concerns increased (Bamberg 80-81). Nevertheless the United States never took any significant steps on its own to lessen European dependence on Middle Eastern oil nor to preserve the European colonial links that would have encouraged European autarchy in regard to liquid fuel. The development of nuclear capacity was seen as an expensive but useful way to develop increased security of supply for European countries but nuclear power is a way of producing electricity, which has no strategic implications for European independence. One obvious and frequently discussed possibility to increase European strategic independence was through coal. Even if European deep mining was threatened, it would nevertheless have been possible to increase coal imports from the US but this was not a preferred response whether due to domestic opposition from within Europe (Lubell 1961) or because domestic US freight rates made it noncompetitive (Adelman 1966). Supplying Europe with coal met neither the strategic needs of ensuring European dependency on imported oil and of course it had no support from those particular domestic interests most concerned with US foreign policy: the oil companies. Neither railroads nor coal companies had sufficient awareness of the possible markets abroad to pursue them by seeking changes in US regulatory policy.

The revival of the European economy after World War II required the revival of the coal industry, and for the first decade after the war coal was economically and politically the dominant fuel. By June 1955, the Hartley Report made it clear that the emergence of an energy gap and the inability of Europe to be self-sufficient would require increased imports of oil (Jensen 39). Not surprisingly in Germany and Great Britain, petroleum consumption increased very slowly while in the rest of Europe it made rapid headway (Jensen 44) but already by the time of the Suez crisis Europe was sufficiently dependent on imported oil that global energy integration had been achieved. Europe, a continent that had been a net energy exporter in the 1920s, now needed increasingly large imports of energy—especially petroleum—to maintain the
economic miracle of the postwar era and in the process it became more tightly tied to the United States and more like the United States.

**OIL COMPANIES AS MODELS OF GLOBALIZATION**

The oil companies were the carriers of a new form of trade: neotriangular trade. Before World War II, oil was a strategic commodity and states sought to achieve hegemony over the sources of the oil they imported. Even when they could not obtain oil in this way, they obtained oil from countries with which they had direct positive trade balances when possible. Immediately after World War II such policies were impossible. The continental European economies were not initially in a position to have positive trade balances with other economies and even for the British economy there were significant dangers in entering any trade regime which required sterling convertability.

The increased utilization of oil in the European economies were significant in the economic miracles that the European economies experienced after World War II. The oil companies were initially the instrument for providing Europe with oil, releasing labor and capital from further investment in coal, and increasing technical efficiencies of production. The need to conserve foreign currency coupled with the expansion of demand, however, also transformed the global economies by making it feasible to place crude oil refineries near demand rather than near supply. Consequently the petrochemical industries in Europe emerged as the pattern of refining shifted from (for example) Abadan, the world’s largest refinery in 1950, to Germany and Britain.

Because of the complex financial structure of the oil companies and the complex technical tasks of transforming a joint product, the oil firms were the first companies to introduce computers and operations research into their administrative structure. They also appear to have been the first companies to have required staff to serve outside the home office in order to gain advancement and began the process of recruiting and training non-nationals relatively earlier than other companies.

The oil companies did not undertake these tasks out of political commitment to diversity. Their use of standard operating procedure in Saudi Arabia, New Guinea, Nigeria, Iraq, Iran as well as Texas, Louisiana, and Oklahoma led to significant labor conflict over racist, exclusionary and demeaning employment practices (Vitalis, forthcoming). Oil is a capital intensive form of production, especially in terms of labor hours per British thermal unit, but the amounts of oil (energy) produced is so large that the oil fields did hire large workforces. In 1950 there were about 12,000 Saudi
employees of Aramco and some 75,000 Iranian employees of British Petroleum in and around Abadan almost all of whom held low-level, unskilled positions while the managers who made up the top 5 percent were expatriates (Shwadran 351; Bamberg 73). The level of conflict between an international firm and its domestic labor force was not higher than the conflict in other areas such as the production of bananas in Central America, copper in Latin America, or rubber in Southeast Asia. It is, however, notable that as most transnational companies retreated from direct foreign operations under the pressure of states to hire domestic personnel in management, the oil companies, albeit with significant variations and often slowly, often took a different route by acceding to some of the political pressure. They found ways to integrate local personnel into the promotion structure itself because local political leaders insisted on it and very early on the oil companies understood that acceptance by the local authorities was the surest guarantee of their property rights:

We now know that the safety of our position in any country depends not only on compliance with laws and contracts, or on the amount of our payments to the government, but on whether our whole relationship is accepted at any given moment by the government and public opinion as “Fair”.  

CONCLUSION

In the period after World War II the gradual closure of the American market and the dominance of US firms over the global political economy of energy was a result of their ability to dominate diversified sources of supply and find adequate demand. In this way the post-war energy markets were relatively stable for a longer period of time than at any point in the early twentieth century. European integration and American hegemony were two faces of the same coin and the substitution of oil for coal, coupled with the forceful US backing of the Schuman Plan (rather than insistence on the Morgenthau Plan) go far to explaining US hegemony in the region. Without access to adequate supplies of energy apart from coal and without the emergence of multilateral trade in the mid-1950s, neither US hegemony nor European integration nor the re-emergence of Japan would have been feasible outcomes and the worst fears of US policymakers in 1945 would, in retrospect, seem far more plausible than they do.

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1 We are indebted to Joseph Glicksberg, "Arguing Egypt: The Location of the Nation in Political Discourse," Ph.D. dissertation, political science, University of Pennsylvania, in progress.

2 There are three traceable strands of writing about hegemony: the German historicist tradition (e.g., Von Ranke) that was most influential in the emerging discipline of historico-politics in the United States; a parallel Italian tradition that would have been one of the sources for Gramsci; together with a third, Russian marxist strand that is the most significant in the modern, more global genealogy. See Lester (2000).

3 See the Nixon-Chou En-lai communiqué expressing opposition to hegemony in the Asia-Pacific region, New York Times, February 28, 1972, p. 16.

4 Thus Robert Gilpin (1987) writes ""Hegemony" comes from the Greek word for political leadership. In the opinion of some writers, however, it has a pejorative ring and they prefer the term leadership itself" (p. 66, n. 2).

Gaulle's project “against the hegemony of the dollar,” which Gilpin had previously written on in the essay that first begins to lay out his account of the political economy of the post-World War II Pax Americana. See “The Politics of Transnational Economic Relations,” in Robert O. Keohane and Joseph Nye, Jr. Transnational Relations and World Politics (Cambridge, MA: Harvard University, 1972), p. 64. This collection first appeared in International Organization in 1971.

6 See the discussion in Doyle (1986): 16, n. 16, and 40, n. 54. Kurth was also the one most likely to be familiar with the late nineteenth century references to Prussian hegemony. Note too that Keohane was also teaching at Swarthmore with Kurth at this time.


9 Charles McLelland to Quincy Wright, September 30, 1960, Box 18, Addenda 1, Quincy Wright Papers, Regenstein Library, University of Chicago.

10 Other examples might be cited, chief among them, the continuing and to our mind pernicious tendency to identify and unmask the foreign agents, comprador classes and intellectuals, and other "Uncle Toms" of the world economy. Thus Bromley (1991): 246, denounces the Saudis and others for serving the hegemon rather than "pan-Arab development." Closer to home, there is Walter LaFeber's unfortunate and unsselfconscious Michael Jordan and the New Global Capitalism (New York: W. W. Norton, 1999).


12 The "empire by invitation" arguments have some force here. See Lundestad (1986).

13 As Triska describes a 1981 meeting, "The seminar started in an orderly manner and stayed on an even keel for a while but ended in bedlam. The shouting match between those who argued for systematic comparison ("Let's do it!") and those who were against it ("How dare you compare the United States and the USSR!" or "Dependencia in Latin America has nothing in common with Soviet hegemony in Eastern Europe!") was beyond control. The seminar was a huge success. I became inspired." Jan Triska, ed., Dominant Powers and Subordinate States: The United States in Latin America and the Soviet Union in Eastern Europe (Durham: Duke University Press, 1986), p. x.

14 "Control of both foreign and domestic policy characterizes empire; control of only foreign policy, hegemony." Doyle (1986): 40.

15 "In contrast with these other great powers, however, the United States was "born equal," "born modern"...and born anticolonial, and thus it was born to become hegemonic, rather than colonial, once it became a great power. Its colonial possessions (Puerto Rico, the Virgin Islands, the Philippines) were relatively few. The United States had, not uniquely but especially, a propensity for hegemony." James Kurth, "Economic Change and Development," in Triska, ed., Dominant Powers, p. 97.

16 In the day, W. E. B. Du Bois and C. L. R. James would read (and in Du Bois's case wrote for) Foreign Affairs. Very few scholars who claim them as influences actually follow in the footsteps of these boundary-defying critics of international inequality.

17 We once asked Ikenberry whether or not he thought his model of liberal hegemony applies to US-Third World relations. He said that he had never thought about it. In a seminar given by Vitalis, he also insisted that Mahan did not think in terms of races when writing about geopolitics. He has managed to erase the supremacist underpinnings of the turn of the century ideas about the "Atlantic world." (Ikenberry 1999: 127). This is a perfect illustration of the operation of what Toni Morrison calls the "norm against noticing" in postwar American culture. See Vitalis (2000).

18 The Chatham House report of 1944 is less clear but lays out a very similar proposal for “restriction of uneconomic production and the encourage of the import of cheap raw materials from oversea…” (Royal Institute of International Affairs, London, 1944, The Problem of Germany, 47).

19 Between 1959 and 1968, US wellhead crude oil prices rose 4 cents a barrel to $2.94 while Middle East crude delivered to the East Coast was about $1.80.
For the classic statement of how bureaucratic enterprises rely on standard operating procedure, even at the risk of creating significant conflict, see Allison.

Yergin, 448