

Legitimizing Power: The Domestic Politics of U.S. International Hierarchy

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The United States has maintained extensive international hierarchies over states on the Caribbean littoral for more than a century and over Western Europe for nearly seven decades. More recently, it has extended similar hierarchies over states in the Middle East, especially the Persian Gulf.¹ International hierarchy is based on authority relations between states, formerly empires but today restricted to informal political relationships such as spheres of influence and de facto protectorates.² Authority, in turn, is a form of legitimate power that entails a right to command by the dominant state and an obligation or duty to comply by the subordinate.³ Key questions, therefore, are how

¹ On U.S. international hierarchy and its spread over time, see David A. Lake, *Hierarchy in International Relations* (Ithaca, NY: Cornell University Press, 2009), Chap. 3.

² On international hierarchy, see Alexander Cooley, *Logics of Hierarchy: The Organization of Empires, States, and Military Occupations* (Ithaca, NY: Cornell University Press, 2005); Alexander Cooley and Hendrik Spruyt, *Contracting States: Sovereignty Transfers in International Relations* (Princeton, NJ: Princeton University Press, 2009); Jack Donnelly, "Sovereign Inequalities and Hierarchy in Anarchy: American Power and International Society," *European Journal of International Relations* Vol. 12, No. 2 (June 2006), pp.139-70; Tim Dunne, "Society and Hierarchy in International Relations," *International Relations* Vol. 17, No. 3 (2003), 303-320; Kathleen J. Hancock, *Regional Integration: Choosing Plutocracy* (New York: Palgrave Macmillan, 2009); John M. Hobson and J.C. Sharman, "The Enduring Place of Hierarchy in World Politics: Tracing the Social Logic of Hierarchy and Political Change," *European Journal of International Relations* Vol. 11, No. 1 (March 2005), pp.63-96; David Kang, "Hierarchy and Stability in Asian International Relations," in *International Relations Theory and the Asia-Pacific*, ed. G. John Ikenberry and Michael Mastanduno (New York: Columbia University Press, 2003), pp.163-189; Yuen Foong Khong, "The American Tributary System," *Chinese Journal of International Politics* Vol. 6, No. 1 (March 2013), pp.1-47; Katja Weber, *Hierarchy Amidst Anarchy: Transaction Costs and Institutional Choice* (Albany, NY: State University of New York Press, 2000).

³ The other primary form of power is coercion, which may be but typically is not regarded as legitimate. The principal form of *legitimate* coercion is the right of self-

does the United States build and sustain legitimacy for itself in subordinate countries? In this postcolonial age, the dominant state must rule indirectly through client regimes. How does the United States ensure legitimacy for such collaborationist regimes? Most important, how does the United States sustain this “double game” of legitimating both its rule and that of its clients, given norms of the sovereign equality of states and, increasingly, of popular sovereignty and democracy? How one answers these questions is relevant not only to theories of international relations but also to current policy debates, especially those on the role of the United States in the Middle East. If the United States cannot legitimate its role in the region, as I argue it cannot for reasons explained below, it should consider following its imperial forefather and withdraw “East of Suez.”

Since the 2003 Iraq War, which made clear that the United States could and would act militarily without broad international support, scholars have paid increasing attention to how, when, and why the exercise of power is or is not legitimate or appropriate in the eyes of other states and their citizens.⁴ Most studies of imperialism,

defense. I do not examine legitimate coercion in this article, but focus on the more institutionalized and enduring form of legitimate power as authority.

⁴ G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton, NJ: Princeton University Press, 2011); David P. Rapkin and Dan Braaten, "Conceptualising Hegemonic Legitimacy," *Review of International Studies* Vol. 35, No. 1 (January 2009), pp.113-149; Christian Reus-Smit, "International Crises of Legitimacy," *International Politics* Vol. 44, No. 2/3 (2007), pp.157-174; Robert W. Tucker and David C. Hendrickson, "The Sources of American Legitimacy," *Foreign Affairs* Vol. 83, No. 6 (November/December 2004), pp.18-32; Stephen M. Walt, *Taming American Power: The Global Response to U.S. Primacy* (New York: W. W. Norton & Company, 2005). On the varieties of power more generally, see Michael Barnett and Raymond Duvall, eds., *Power in Global Governance* (New York: Cambridge University Press, 2005). On the Iraq War and legitimacy specifically, see Terrence L. Chapman, *Securing Approval: Domestic Politics and Multilateral Authorization for War* (Chicago, IL: University of Chicago Press, 2011); Ian Hurd, *After Anarchy: Legitimacy and Power in the United Nations Security Council* (Princeton, NJ: Princeton University Press, 2007); Ian Hurd, "Legitimacy and Authority in International

especially informal imperialism or indirect rule, take one of three forms: metrocentric approaches which emphasize characteristics of the dominant state; pericentric theories which focus on attributes of the subordinate state; and systemic models, which highlight competition between dominant states.⁵ Integrating insights from all three approaches, this article examines (1) how the United States builds legitimacy for itself and exercises international authority over other countries and (2) the domestic politics of subordination within client states.

The core argument is that hierarchy benefits subordinate countries but has interstate and intrastate distributional consequences for domestic ruling coalitions and regime types. When the gains from hierarchy are large and favor the subordinate state, or subordinate societies share policy preferences similar to those of the United States, the greater is the likelihood that hierarchy will be broadly legitimate and stable and that the subordinate regime will be democratic. Thus, U.S. indirect rule, famously described by Geir Lundestad as an “empire by invitation,” has coexisted with democracy in Western Europe since World War II.⁶ When the gains from hierarchy are small and the benefits are concentrated within the governing elite, or the more distant the policy preferences of the median citizen are from those of the United States, the less broadly legitimate the hierarchy will be, the more likely it will be that the subordinate regime is autocratic, and

Relations," *International Organization* Vol. 53, No. 2 (Spring 1999), pp.379-408; Alexander Thompson, *Channels of Power: The Un Security Council and U.S. Statecraft in Iraq* (Ithaca, NY: Cornell University Press, 2009).

⁵ On metrocentric theory, see J. A. Hobson, *Imperialism: A Study* (Ann Arbor, MI: University of Michigan Press, 1965); on pericentric theory, see John Gallagher and Ronald Robinson, "The Imperialism of Free Trade," *Economic History Review (second series)* Vol. 6, No. 1 (August 1953), pp.1-15. For an overview of all, and a developed systemic approach, see Michael W. Doyle, *Empires* (Ithaca, NY: Cornell University Press, 1986).

⁶ Geir Lundestad, *The American "Empire"* (New York: Oxford University Press, 1990).

the more anti-American the political opposition will be. This confluence of traits and its consequences has characterized U.S. rule over the Caribbean and Central America for much of the last century. In the contemporary Middle East, the gains from hierarchy also appear small, and policy preferences are likely even more distant from those of the United States. Despite rhetorical support for democracy, the United States has consistently backed sympathetic authoritarian rulers, such as Hosni Mubarak in Egypt, leading to an anti-American backlash in the region. As in Central America, this confluence bodes poorly for the prospects of democratic hierarchies in the Middle East today.

The argument advanced here is conjunctural rather than causal. Although comparative static predictions are posited, the causal arrows are complex and can point in multiple directions. International hierarchy in some conditions may cause authoritarian rule, but equally preexisting authoritarian governments – by reaching out to a foreign protector -- may choose international hierarchy or at least permit it in cases where it might not otherwise arise. What we observe in any real world relationship is an equilibrium between multiple and sometimes offsetting forces. In any specific instance, therefore, identifying cause and effect will be nearly impossible because international relationships and domestic regimes are co-determined. Overall, however, small gains from hierarchy and distant policy preferences are likely to be associated with less broadly legitimate international power and greater authoritarian rule.

These relationships between hierarchy and regime type are also dynamic. Large gains from hierarchy that are widely distributed in democracies will create social forces interested in the continuation of that hierarchy; they may even over time lead preferences

over foreign policy in the subordinate state to converge with those of the dominant state. This convergence can occur through economic sectors that become dependent on exports to the U.S. market, or voters who benefit from security provided by the United States and the lower defense spending and taxes they enjoy in the return. As social forces become vested more deeply, hierarchy will become less evident over time and perhaps even less necessary as cooperation occurs spontaneously. Conversely, small gains from hierarchy that are captured by a collaborationist elite, and used to suppress political dissidents, will make that elite even more dependent on its continued relationship with the United States. In turn, any political opposition will understand that political change at home requires breaking with international hierarchy and will become more anti-American. Depending on initial conditions, international hierarchy can create, from the perspective of the dominant state, virtuous and vicious cycles.

This article begins with an overview of hierarchy in international relations and then develops its relationship with domestic regime type. The theory is general and developed in universal terms; it applies to other potentially dominant states such as Russia in its relations with its “near abroad” and China in Asia and Africa.⁷ The United States is not the only country pursuing and sustaining hierarchies in the world today, and

⁷ On post-Soviet hierarchy, see Cooley, *Logics of Hierarchy*; Cooley and Spruyt, *Contracting States*; Keith Darden, *Economic Liberalism and Its Rivals: The Formation of International Institutions among the Post-Soviet States* (New York: Cambridge University Press, 2009); Hancock, *Regional Integration*; David A. Lake, "The Rise, Fall, and Future of the Russian Empire: A Theoretical Interpretation," in *The End of Empire? The Transformation of the Ussr in Comparative Perspective*, ed. Karen Dawisha and Bruce Parrott (New York: M.E. Sharpe, 1997), pp.30-62. On China, see David Kang, *East Asia before the West: Five Centuries of Trade and Tribute* (New York: Columbia University Press, 2010); David C. Kang, *China Rising: Peace, Power, and Order in East Asia* (New York: Columbia University Press, 2007). For a comparison of the U.S. and China, see Khong, "The American Tributary System."

cross-hierarchy comparisons might be useful in highlighting the distinctive nature of U.S. rule. Nonetheless, for reasons of space, because of the special role of the United States in the world today, and in hopes of shedding light on the policy conundrums now facing the country, the analysis is applied here only to the U.S. case. In the second section, I illustrate the argument with brief sketches of U.S.-Central American, U.S.-European, and U.S.-Middle Eastern relations, including during the Arab Spring. Closing with the policy options available to the United States to legitimate its rule, I argue that Washington should either redistribute a greater the share of the benefits of cooperation to states in the region, which is unlikely, or recognize that legitimate power over Middle Eastern states may be an unattainable goal – a bridge too far -- and retrench in its efforts to build hierarchies over distant states in the region.

Hierarchy in International Relations

Hierarchy exists when a dominant actor exercises political authority over a subordinate actor. By standard definitions, political authority is the right of state A to command state B to alter its actions. This right, in turn, implies a correlative obligation or duty by B to comply, if possible, with A's rule. B's obligation, finally, implies a further right by A to enforce its commands in the event of B's noncompliance.⁸ In any authority relationship, B chooses whether to comply with A's commands, but it is bound by the right of A to discipline or punish its noncompliance. Many drivers exceed the speed limit, for example, but if caught they accept the right of the state to issue fines or other punishments for breaking the law. Noncompliance by itself does not demonstrate a lack of authority.

⁸ See Richard E. Flathman, *The Practice of Political Authority: Authority and the Authoritative* (Chicago: University of Chicago Press, 1980), p.35.

International hierarchy varies according to the extent of authority possessed by the dominant state over the subordinate polity, most sensibly disaggregated into the dimensions of security and economic policy.⁹ Each dimension is a continuum varying from anarchy (no hierarchy) to complete authority over the subordinate in the specified issue area (see figure 1). As a continuous relationship, security hierarchy varies from traditional state-to-state diplomacy with agreements between formal equals (anarchy) through spheres of influence (zones of exclusive political influence) to protectorates, in which the dominant state controls entirely the foreign policy of the subordinate. Economic hierarchy varies from market exchange (anarchy) through economic zones (areas of exclusive economic influence) to dependencies, where the dominant state sets completely the subordinate's economic policy. The extremes are seldom realized, especially in the modern period, but we observe a large range of historical and contemporary variation.¹⁰ Indirect hierarchies, as found in the contemporary world, are typically less extensive, as the dominant state governs through a client regime that retains some autonomy and, thus, potential for independent action. Nonetheless, the range of authority exercised by the United States over some subordinate countries remains broad, including determining which leaders govern where (e.g., overthrowing President Manuel Noriega in Panama).

Political authority has multiple origins. The right to rule has been variously understood to derive from the charisma of individual leaders (charismatic authority),

⁹ International organizations and private actors may also exercise authority over states. See David A. Lake, "Rightful Rules: Authority, Order, and the Foundations of Global Governance," *International Studies Quarterly* Vol. 54, No. 3 (September 2010), pp.587-613. I focus in this paper on state-to-state relations.

¹⁰ Lake, *Hierarchy in International Relations*, Chap. 3.

tradition that is socially accepted and reproduced through ritualized ceremony (traditional authority), religious deities (religious authority), or law (formal-legal authority).¹¹

Constructivists identify more social origins of legitimacy, based on the interaction of structure and agency and conditioned by ideas and social norms.¹² All of these sources have played a role in legitimating political leaders and institutions in different historical moments, and they continue to play a role in shaping U.S. hierarchy today. In modern international politics, however, the political authority of the United States appears to rest largely on a contract or bargain, the terms of which are colored as expected by constructivists by larger social norms about just and appropriate relationships between supposedly “sovereign” states. In these bargains, regardless of their specific terms, the United States must provide a political order of value to the subordinate state sufficient to offset the latter’s loss of freedom incurred in its subordination. In return, the subordinate confers on the United States the right to exert the restraints on its behavior necessary to provide that order.¹³ In equilibrium, the United States receives sufficient returns on its

¹¹ Max Weber, *Economy and Society*, 2 vols. (Berkeley, CA: University of California Press, 1978), pp.31-38, 215-254.

¹² See Mlada Bukovansky, *Legitimacy and Power Politics: The American and French Revolutions in International Political Culture* (Princeton, NJ: Princeton University Press, 2002); Hurd, *After Anarchy*; Ian Hurd, "Breaking and Making Norms: American Revisionism and Crises of Legitimacy," *International Politics* Vol. 44, No. 2/3 (2007), pp.194-213; Christian Reus-Smit, *American Power and World Order* (Malden, MA: Polity Press, 2004); Reus-Smit, "International Crises of Legitimacy", Christian Reus-Smit, "Liberal Hierarchy and the Licence to Use Force," *Review of International Studies* Vol. 31, No. Supplement 1 (December 2005), pp.71-92; Alexander Wendt and Daniel Friedheim, "Hierarchy under Anarchy: Informal Empire and the East German State," *International Organization* Vol. 49, No. 4 (Autumn1995), pp.689-721.

¹³ For a defense of this assumption, see Lake, *Hierarchy in International Relations*, Chap. 1. For a similar approach to domestic authority, see Yoram Barzel, *A Theory of the State: Economic Rights, Legal Rights, and the Scope of the State* (New York: Cambridge University Press, 2002); Margaret Levi, *Of Rule and Revenue* (Berkeley, CA: University

effort to make the provision of political order worthwhile, and the subordinate enjoys sufficient order to offset the loss of freedom entailed in accepting U.S. authority. In this way, authority is contingent on the actions of both the United States and subordinate state, and an equilibrium is produced and reproduced through ongoing interactions.

The pattern of U.S. international hierarchy is displayed in figures 2a for 1965 and 2b for 1995. In these figures, security hierarchy is operationalized by U.S. troops deployed on the territory of the subordinate, adjusted for population, and the number of alliances by the subordinate state that are independent of United States, scaled relative to the most subordinate country in 1995 (Panama). Economic hierarchy is measured by the fixity of the subordinate country's exchange rate to dollar and the subordinate's dependence on trade with the United States and other countries that also trade heavily with the United States, again scaled to the most subordinate country in 1995 (St. Kitts and Nevis).¹⁴ Systematic data are available only for 1950 to 2005. By these measures, the United States exercises a degree of hierarchy over approximately half the countries in the world, concentrated in Latin America, especially states bordering on the Caribbean

of California Press, 1988); and Douglass C. North, *Structure and Change in Economic History* (New York: W. W. Norton, 1981).

¹⁴ On measures and patterns of hierarchy, see Lake, *Hierarchy in International Relations*, Chap. 3. In this paper, I use a new measure of trade dependence that has higher criterion-related validity than the measure used in *ibid*. The theoretical construct is dependence not just on the U.S., but rather seeks to capture trade opportunities outside the network of trading partners also dependent by the U.S. The old measure calculated a country's trade with the U.S. relative to its GDP, and then subtracted equivalent ratios for the other four P5 UNSC members (higher ratios indicated greater reliance on trade with the U.S. relative to the other P5 states). This was a measure of relative trade dependence. The new measure calculates country *i*'s trade dependence on the U.S. as well as its trade dependence on all other countries (*j*) weighted by that country's (*j*) trade dependence on the U.S. The correlation between the old and new measures is 0.85.

littoral, Western Europe and Northeast Asia (long denoted as “allies” in the Cold War) and increasingly the Middle East, especially the Persian Gulf.¹⁵

INTERSTATE DISTRIBUTION

International hierarchy varies in its benefits and costs depending on the structural conditions facing states and the bargains they reach with one another.¹⁷ Structure creates greater or lesser opportunities for mutual gain for dominant and subordinate states even as they struggle over the division of those gains.

DOMINANT STATES. For the dominant state, the benefits of an international political order must be larger than the costs of producing that order; otherwise it will opt out and no hierarchy will exist, leaving both the dominant and subordinate state in anarchy. The benefits of hierarchy arise from two sources: political order and the privilege of writing the rules of that order. Political order in general benefits all countries, including the dominant state. Following Hedley Bull, a political order is “a pattern of human activity that sustains elementary, primary, or universal goals of social life,” including security against violence resulting in death or bodily harm, an assurance that property will not be subject to challenges that are constant or without limit, and an expectation that promises and agreements, once made, will be kept.¹⁸ In shorthand, we can think of political order as the protection of people, property, and promises. An international political order—or international civil society--limits threats to all states and

¹⁵ In 2005, 66 countries have an security hierarchy score of greater than 0.1 and 56 have a score greater than 0.5; 112 countries have an economic hierarchy score greater than 0.1 and 31 greater than 0.5.

¹⁷ This section synthesizes David A. Lake, *Entangling Relations: American Foreign Policy in Its Century* (Princeton, NJ: Princeton University Press, 1999); and Lake, *Hierarchy in International Relations*. It assumes unitary states.

¹⁸ Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (New York: Columbia University Press, 1977), p.5.

creates opportunities for increased trade and investment and, thus, greater prosperity. Although not a public good, a political order benefits both the dominant and subordinate state, and potentially spills over to benefit third parties as well. The dominant state, in turn, produces the political order for the benefits it receives from its own efforts. This is a recurring theme of the literature on U.S. hegemony and international order after 1945.¹⁹

The dominant state also benefits from writing the rules of the political order. To write the rules of any order is an awesome power, and rulers even at the international level seldom fail to exploit opportunities to bias the rules in their favor. It is no coincidence, for instance, that the *Pax Americana* is a fundamentally liberal international order that promotes the territorial status quo; the free movement of goods, services, and capital across borders; and free enterprise, democracy, and other goals cherished within the United States. The international order envisioned by Germany during World War II, or that propagated by the Soviet Union in Eastern Europe afterward, differed dramatically in their substantive rules and were designed to channel the benefits of political order disproportionately to Berlin and Moscow, respectively.²⁰ The dominant state is constrained in how far it can bias the political order, however, by the need for subordinates to recognize its authority; too much bias and subordinates will prefer anarchy over the political order offered by the dominant state.

¹⁹ Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981); G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton, NJ: Princeton University Press, 2001); Ikenberry, *Liberal Leviathan*.

²⁰ Zbigniew Brzezinski, *The Soviet Bloc: Unity and Conflict*, Rev. and enlarged ed. (Cambridge, MA: Harvard University Press, 1967); Albert O. Hirschman, *National Power and the Structure of Foreign Trade* (Berkeley, CA: University of California Press, 1980); and Jan. F. Triska, *Dominant Powers and Subordinate States: The United States in Latin America and the Soviet Union in Eastern Europe* (Durham, NC: Duke University Press, 1986).

Hierarchy is costly to the dominant state in three ways. First, the dominant state must produce the political order on which its authority rests. Having promised, if only implicitly, to protect the subordinate from internal and external threats, it must do so credibly by maintaining a military force sufficient to deter challengers, intervening in support of the subordinate, if necessary, and enforcing its rules. These costs are incurred whether or not force is actually used in assisting the subordinate; it is the capacity for action that matters. There are typically large economies of scale in producing security, suggesting that relationships of similar degrees of hierarchy will tend to cluster by region.²¹ These costs to the dominant state are manifested in greater defense burdens for the dominant state and the propensity to come to the aid of subordinates in crises.²² The costs of producing political order do not appear to vary considerably according to the level of hierarchy. This cost is reflected in the substantially greater defense burden carried by the United States relative to its subordinates, even after the end of the Cold War.

The second way in which hierarchy can be costly to the dominant state is that the subordinate may act opportunistically and “defect” from the political order in ways large and small, reducing the benefits of that order to the dominant state. Even while recognizing the legitimate authority of the dominant state, the subordinate may contravene its rules. In everyday life, drivers may not follow all traffic laws, with accidents, traffic delays, and other obstructions constituting the loss of order that might otherwise have existed if those drivers had followed the rules of the road. Likewise,

²¹ David A. Lake, "Regional Hierarchies: Authority and Local International Order," *Review of International Studies* Vol. 35, No. Supplement 1 (February 2009), pp.35-58.

²² Lake, *Hierarchy in International Relations*, pp.139-148.

subordinate states may choose not to comply fully with rules set by the United States. Subordinates may fail to open their economies completely; they may discriminate against U.S. exports; and so on. Similarly, subordinates may shirk and fail to fulfill calls by Washington for military support—as Germany and other European allies did in the Iraq War, forcing the United States to rely on its smaller, more compliant subordinates (the so-called coalition of the willing). Opportunism by subordinates reduces the net benefits of political order for the dominant state. The ability of subordinates to act opportunistically, however, declines as the degree of hierarchy increases, as they have a correspondingly smaller scope for autonomous policymaking.

The expected costs of opportunism to the dominant state are a function of the actual cost, if it occurs, and the probability that the subordinate will defect. The actual cost is determined by the degree of asset specificity in the relationship between the two states. If the dominant and subordinate state have few specific assets, defection means little (and we would expect little or no hierarchy). By definition, any contribution the subordinate makes to the dominant state can be easily replaced. If the states do possess specific assets, however, the costs of defection will be greater. Strategically important facilities, long discussed in the security literature as a source of both conflict and cooperation, are a type of site-specific asset. In the early Cold War, for instance, when both missiles and bombers had more limited ranges, launch sites in Turkey and air bases in Europe were necessary for the United States to deter the Soviet Union and not easily replaced. Similarly, given the forward-based defense strategy adopted by the United States in Asia, a solid array of bases along the Pacific perimeter was required, linking Okinawa, Guam, and the Philippines in a strong phalanx. Each island was essential to the

strategy, meaning that each became a site specific asset that could, by the defection of any member, undermine the success of the entire strategy.

Asset specificity, however, is also endogenous and dynamic, meaning that it can evolve over time within a hierarchical relationship. Having entered a hierarchy with the United States after 1945, for instance, the United Kingdom specialized in producing mine sweepers for its navy and the United States forewent a similar capacity, making the U.S. Navy dependent on Britain for these ships at least in the short run (i.e., until it might choose to build its own). Economically, specialization and the division of labor create over time deep dependencies on assets that may not be readily replaced, such as Middle East oil. As asset specificity deepens in hierarchy, one or both parties may become further locked into the relationship, creating both a tendency toward greater hierarchy to limit the potential for opportunism and vested interests who have strong stakes in maintaining the current hierarchical relationship. Thus, specific assets increase the costs of opportunism, but reduce the probability that it will occur as interests become vested in the hierarchical relationship.

The probability of opportunism, in turn, is primarily determined by differences in the policy preferences between the dominant and subordinate state. When preferences are very similar, as in the United States and Europe today, whether authority is exercised by the dominant state over the subordinate is, at an extreme, almost immaterial, because each would choose the same policies as the other if given the opportunity. The cost to the subordinate of giving up authority over its affairs is low, but so are the benefits of governing the subordinate for the dominant state; under these circumstances, we would expect relatively little hierarchy. The greater the difference in policy preferences, as

between the United States and Central American in the early twentieth century or the United States and Middle East today, the more likely the subordinate would, on its own, defect from policies desired by the dominant state. As a result, the dominant state must exert greater authority over the subordinate to control its policy choices. By the same reasoning, however, the greater the difference in policy preferences between the dominant and subordinate states, the greater the probability of opportunism by the subordinate at any given level of hierarchy.

Third, the dominant state also incurs governance costs in assuming responsibility for the subordinate's policies. The more hierarchical the relationship is (ie., the more policy areas the dominant state legitimately controls), the greater the governance costs will be. At the least, the dominant state must develop the bureaucratic infrastructure to make policy for the subordinate, as Britain did in its Colonial Office. Even in lesser forms of hierarchy when policy is made indirectly through local clients, as for the United States today, the dominant state incurs costs in propping up the regime, suppressing rebellions, supporting moderates, and so on. These costs are -- perhaps ironically -- most obvious in the failure of the President George W. Bush to anticipate their magnitude in deciding to invade Iraq in 2003.²³ In all cases, the dominant state must also maintain the capability to discipline subordinates when they act opportunistically or challenge its authority.

Overall, the costs associated with producing political order, reining in opportunism, and governing subordinates can be substantial. The level of hierarchy is the product of the expected costs of opportunism, which are decreasing in hierarchy, and

²³ David A. Lake, "Two Cheers for Bargaining Theory: Rationalist Explanations of the Iraq War," *International Security* Vol. 35, No. 3 (Winter 2010-11), pp.7-52.

governance costs, which are increasing in hierarchy. The outcome depends on the precise functional form of both sets of costs. Whenever the benefits exceed the costs, the dominant state has an incentive to exercise authority over another state, although this does not guarantee that the second state will agree to give up some measure of its sovereignty.

SUBORDINATE STATES. For the subordinate, the benefits offered by the dominant state must exceed the value of the sovereignty it yields in return. Unless the dominant state imposes its will by force, which is both very costly and not authoritative in the sense I use the term here, it must leave the subordinate—or its rulers—at least as well off as in its next best alternative. The primary gain for the subordinate is the political order provided by the dominant state. This security commitment permits the subordinate to reduce its defense expenditures and, in turn, to trade more overall and to trade more with other states also subordinate to the same dominant state.²⁴ The North Atlantic community, for instance, prospered under the U.S. security umbrella throughout the latter half of the twentieth century. In a form of moral hazard, the protection of the dominant state may also enable the subordinate to make greater demands on others, safe in the knowledge that the dominant state will be more likely to come to its aid should a crisis result; on average, subordinate states should have greater leverage in bargaining and get better deals with third parties than nonsubordinates. As one example, states favored by the United States often receive larger loans with fewer conditions from the International Monetary Fund.²⁵

²⁴ Lake, *Hierarchy in International Relations*, Chap. 5.

²⁵ See Randall W. Stone, *Controlling Institutions: International Organizations and the Global Economy* (New York: Cambridge University Press, 2011); Randall W. Stone,

The primary cost to the subordinate state is the policy autonomy that it transfers to the dominant state. Sovereignty may be valued on its own, especially in the modern world, where it is taken as a mark of “statehood” and serves as a barrier to intervention by other states. Policy autonomy also matters, however, in permitting the potential subordinate to pursue its own policy preferences, including responding to threats and restricting trade or investments from the dominant state. The value of autonomy is lower for small states, which often lack the ability to translate their preferences into outcomes. Nonetheless, the price of foregoing autonomy, like the probability of opportunism above, is determined by the distance between the policy preferences of the dominant and subordinate states. The further the ideal point of the subordinate is from that of the dominant state, the larger the sovereignty costs are to the subordinate. This postulate implies that the closer the ideal point of the United States is to those of subordinate states, the more likely the actors are to form a hierarchical relationship, all else equal.

The dominant state can also compensate the subordinate and induce it to yield sovereignty by providing more order or less policy bias in that order. Increased order might be produced through tighter and more credible security guarantees, protection against a greater range of external and internal threats, or both. Reducing policy bias entails writing rules closer to the policy preferences of the subordinate state, say, exempting some economic sectors from trade liberalization, allowing permissible breaches in both economic and security commitments, and so on. The rules and how they are implemented are undoubtedly constrained by the bargains made with other states. Although the dominant state may wish to exploit more fully its bargaining leverage

Lending Credibility: The International Monetary Fund and the Post-Communist Transition (Princeton, NJ: Princeton University Press, 2002).

through bilateral deals, as the United States did in Asia after 1945, given economies of scale in producing order it may also want to write similar rules across subordinates, as the United States did in Europe under NATO.²⁶

BARGAINING. Both dominant and subordinate states are constrained by their minimum thresholds. The dominant state needs to cover its costs of producing political order, and the subordinate must value the order it receives more than the sovereignty it yields. Within these constraints, however, the dominant and subordinate state will bargain hard over the division of the surplus from hierarchy, as the United States has with many of its subordinates over a host of issues, including basing rights.²⁷ These negotiations are often fraught and prone to failure as each side holds out for the best deal possible – as in the failed negotiations between the United States and the Philippines that eventually led to the closing of U.S. bases on the islands. Both sides have incentives to misrepresent their constraints. Seeking bigger shares of the surplus, the dominant state will exaggerate its costs of producing order and minimize the benefits it receives. The subordinate will exaggerate the value it places on sovereignty and threaten opportunistic actions that diminish the value of cooperation for the dominant state to extract greater benefits. Yet, both dominant and subordinate states and the credibility of their demands and counterdemands are limited by their minimum thresholds.

²⁶ Christopher Hemmer and Peter J. Katzenstein, "Why Is There No Nato in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism," *International Organization* Vol. 56, No. 3 (Summer 2002), pp.575-607; Daniel H. Nexon and Thomas Wright, "What's at Stake in the American Empire Debate," *American Political Science Review* Vol. 101, No. 2 (May 2007), pp.253-271.

²⁷ Basing rights are one common flashpoint in negotiations. See Kent E. Calder, *Embattled Garrisons: Comparative Base Politics and American Globalism* (Princeton, NJ: Princeton University Press, 2007); Alexander Cooley, *Base Politics: Democratic Change and the U.S. Military Overseas* (Ithaca, NY: Cornell University Press, 2008).

The division of the surplus is, however, likely to be affected by three factors. First, states that value the future more highly will be able to wait out their bargaining partner, forcing capitulations by the less patient party.²⁸ Thus, dominant states that need the strategic resources of the subordinate will offer them a better deal, and subordinates that face acute security threats will “sell” their sovereignty more cheaply.

Second, the bargain reached will be affected by the number of states competing for dominance on each side. In the modern world, at least, subordinates appear to yield sovereignty to only one dominant state. Nonetheless, the number of competitors for dominant status can vary by time and region, much as the United States and the Soviet Union competed for subordinates in the developing world during the Cold War. The greater the number of potentially dominant states, the better the deal that the subordinate can negotiate. Even within an existing hierarchical relationship, the rise of a potential competitor will likely lead to a more favorable bargain for the subordinate.²⁹ Conversely, if the dominant state can select among multiple potential subordinates in a region, it will also be able to play the possible sites off against one another and negotiate a better deal for itself. The structure of the international and regional systems matters for the distribution of the gains from hierarchy.

Third, if the dominant state is willing to support an authoritarian government, it may be able to offer less and still achieve a mutually satisfactory bargain. The smaller the ruling elite—the minimum winning coalition or selectorate -- the smaller the segment of

²⁸ Ariel Rubinstein, "Perfect Equilibrium in a Bargaining Model," *Econometrica* Vol. 50, No. 1 (January 1982), pp.97-109.

²⁹ This is the classic chain store paradox, see Reinhard Selten, "The Chain Store Paradox," *Theory and Decision* Vol. 9, No. 2 (April 1978), pp.127-159.

society that needs to value the political order more than the sovereignty it yields.³⁰ Thus, all else considered, dominant states may prefer authoritarian governments with a small ruling elites because they are easier to control, policy outcomes will be closer to their own preferences, and they can retain a larger share of the surplus from hierarchy.

INTRASTATE DISTRIBUTION

Even if the net benefits to the subordinate state are positive, this does not imply that all individuals or groups within the society benefit equally (or at all). Most important, if the benefits are unequally distributed, hierarchy may still be selected by an authoritarian elite, which will benefit from that relationship. How the benefits are distributed internally is a function of the domestic regime, and the domestic regime in turn affects whether hierarchy is possible and to what degree. The relationship between international hierarchy and domestic regime type is co-determined.

Societies differ in their policy preferences. Those that share common values, political ideologies, cultural histories, and more are likely to share preferences over the substance of international order, especially over rules regarding the appropriate relationship between states and markets, government regulation, religion and the rule of law, and so forth. Within a society, moreover, different individuals and various groups will hold different policy preferences, either because of their position in the international division of labor or for ideological or cultural reasons. Some will incline toward the policy preferences of the dominant state, others will oppose those preferences; given the liberal international order led by the United States, for instance, abundant factors of production within subordinate states will be more supportive of free trade and U.S.

³⁰ This is similar to selectorate theory. See Bruce Bueno de Mesquita et al., *The Logic of Political Survival* (Cambridge, MA: MIT Press, 2003).

leadership, whereas scarce factors of production will oppose them.³¹ By implication, those individuals or groups that are closer to the policy preferences of the dominant state will find the benefits of hierarchy relatively more attractive and can be compensated for the value of their country's lost policy autonomy more cheaply. In short, these supporters, or "collaborationists," can be more easily induced to support hierarchy. Citizens further from the policy preferences of the dominant state will be opposed to hierarchy and will require greater compensation if they are to acquiesce in the relationship with the dominant state.

Simplifying what is undoubtedly a multidimensional set of policy preferences into a single "ideological" dimension suggests figure 3, where we can vary the distance between the policy preferences of the dominant state and those of the median citizen in the subordinate state. This single dimension of policy is a heuristic used for ease of explication, but the general point should generalize to multiple policy dimensions.³² Holding the benefits of hierarchy constant (including any additional sidepayments from

³¹ Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton, NJ: Princeton University Press, 1989).

³² This single dimension is roughly similar to the first dimension in DW-Nominate and other indices of political ideology. See Keith T. Poole and Howard L. Rosenthal, *Congress: A Political-Economic History of Roll Call Voting* (New York: Oxford University Press, 1997). For an application to international relations, see Yonatan Lupu, "The Informative Power of Treaty Commitment: Using the Spatial Model to Address Selection Effects," *American Journal of Political Science* (forthcoming 2013) (DOI: 10.1111/ajps.12033). We could also vary the variance of these preferences around the median citizen's ideal point (not shown). With multiple dimensions, and heterogeneous preferences across those dimensions within the subordinate state, we would likely observe cycling between coalitions willing to subordinate themselves to the dominant state. Nonetheless, the coalition (or coalitions) with preferences closer to those in the dominant state would still be most likely to be supported in power by that state. An implication is that multiple policy dimensions and heterogeneous preferences, and thus multiple potential coalition partners, will shift bargaining leverage in the dominant state's direction, allowing it to appropriate a larger share of the mutual gains from cooperation.

the dominant state to the subordinate), the further the distance in policy preferences, the smaller the group of supporters of hierarchy. All else being equal, each collaborationist further from the dominant state's ideal point must receive larger compensation if it is to support hierarchy. This compensation can take many forms--from, say, construction contracts or employment for building military bases for U.S. troops to foreign aid and social welfare policies made possible by lower defense spending than would otherwise be required.³³ If the set of supporters who can be "bought off" under any division of the gains is less than a majority of the population, hierarchy is possible only when the franchise or selectorate is limited and biased toward those supporters. In short, the greater the policy distance, the more likely hierarchy is to be associated with authoritarian rule by a collaborationist elite. This reliance on sympathetic autocrats was an enduring critique of U.S. relations with many developing country dictators during and after the Cold War.

As discussed earlier, the dominant state is likely to gain disproportionately from hierarchy and may earn a surplus that is divided in its favor. The gains from hierarchy for the subordinate state are not fixed and exogenous but, to the limit of the break-even point for the dominant state, are flexible and endogenous. The dominant state can, as a result, influence the extent of support for hierarchy within the subordinate state and, in turn, its regime type by policy concessions or side payments like foreign aid. Figure 4 varies both policy distance (the horizontal axis is the same as in figure 3) and the gains from hierarchy for the subordinate state. The central 45 - degree line defines the threshold in

³³ On compensation from the point of view of the dominant party in Japan, see Kent E. Calder, *Crisis and Compensation: Public Policy and Political Stability in Japan* (Princeton, NJ: Princeton University Press, 1988). For compensation connected to basing rights, see Calder, *Embattled Garrisons*; Cooley, *Base Politics*.

the subordinate where the gains from hierarchy offset the value of lost autonomy for the median citizen and are sufficient to induce that citizen to support a hierarchical relationship with the dominant state. In the far northwest corner, the gains are very large and policy are preferences nearly identical. In this range, “cooperation under anarchy” is an equilibrium and no hierarchy is necessary, although it is cheap for the dominant state to create (because opportunism is low) and easy for the subordinate state to accept (because autonomy is not very valuable).³⁴ This equilibrium likely characterizes U.S.-European relations today. In the southeast corner, the gains are small and preferences are highly disparate. The dominant state can impose its will only through large-scale coercion. The population of the subordinate state will regard any relationship that emerges as illegitimate, making it difficult to sustain. For the most part, states that fall in this corner of figure 4 are regarded as “rogues” that defy the U.S.-led international order, such as Libya under Muammar al-Qaddafi, Cuba, or North Korea. The middle range, clustered around the 45 - degree line, is more open.

Above the 45 - degree line, democracy is compatible but not required for hierarchy. If permitted to vote, the median citizen would give up policy autonomy and accept the authority of the dominant state. As explained below, this appears to characterize U.S.-European relations during the early Cold War. On the other hand, a rent-seeking elite can by ruling authoritatively expropriate a disproportionate share of the subordinate state’s gains from hierarchy. These gains can then be diverted to additional repression to secure the rule of the elite or simply to private consumption. Although democracy is possible and even likely above the line, it is not required for stable

³⁴ Kenneth A. Oye, ed., *Cooperation under Anarchy* (Princeton, NJ: Princeton University Press, 1985).

hierarchy to emerge. This equilibrium likely characterized U.S.-South Korean relations under military rule (1961-87). Nonetheless, we should find a correlation between large gains, similar policy preferences, and democracy, especially among previously democratic subordinate states.

Below the 45 - degree line, hierarchy requires authoritarian rule, increasingly so as the benefits of hierarchy get smaller, policy preferences diverge, and the group that gains from hierarchy shrinks. Without adequate compensation to the median citizen, the dominant state must rule directly or through an indigenous elite that is closer to its policy preferences and gains enough, on average, to pay the additional costs of repressing its population. Unlike the unitary model of the previous section, this equilibrium implies that the subordinate state as a whole may not be better off, but only that a ruling elite is better off by giving up some national sovereignty in exchange for hierarchy, net the costs of greater repression.³⁵ In this way, U.S. hierarchy both supported and was supported by authoritarian leaders in Central American for most of the twentieth century. The same remains true in the Middle East today. This concentration of benefits in a small elite also implies that broad-based opposition movements in authoritarian governments will be opposed to continued hierarchy. On net, hierarchy will have served to enrich or preserve

³⁵ Although it might seem that this collaborationist elite would be more secure in its rule and have a longer tenure in office than other authoritarian rulers, this does not follow without additional assumptions about elite preferences over other dimensions. Some authoritarian elites may invest their returns in securing their rule, but others may simply divert the net gains from hierarchy to personal consumption (e.g., Swiss bank accounts) or particularistic policies that inflame the population. Indeed, given that the dominant state is providing a political order that may include securing them against internal threats, elites may be tempted in a form of moral hazard to expropriate even more from their populations than otherwise. Thus, although small benefits from hierarchy and policy divergence should correlate with authoritarian rule, they need not correlate with the length or security of rule for any particular regime.

the authoritarian elite. Regime opponents, as a result, will mobilize citizens against the role of the dominant state in their country, much as the early forces of democratization in South Korea in the 1980s were explicitly anti-American.³⁶

REGIME DYNAMICS

Authority relationships create vested interests within subordinate states that alter support for hierarchy over time, producing vicious or virtuous circles. As sources of rules governing behavior by citizens within subordinate states, international hierarchy structures the incentives of societal actors, who then change their actions and investments accordingly. Expecting the United States to come to their aid in the event of a foreign threat, for instance, subordinate states spend significantly less of their gross domestic product (GDP) on their own defense than states not subordinate to Washington, redeploying wealth that otherwise would have been spent on military forces to other government or private consumption. Having invested less in their militaries, and enjoying a higher level of consumption than would have been possible otherwise, subordinates are dependent on the United States in a very real sense, and will support the maintenance of that relationship lest they have to incur the costs of building a modern and entirely autonomous military capability. In this way, subordinates become “locked into” hierarchy, at least to the cost of providing entirely for their own defense.

Moreover, hierarchy can through the policies it promotes reshape the nature of the subordinate society and, thus, the policy preferences of its citizens. States integrated into the U.S. international hierarchy trade more overall and trade more with other states also

³⁶ On the variety of anti-Americanism, see Peter J. Katzenstein and Robert O. Keohane, *Anti-Americanisms in World Politics* (Ithaca, NY: Cornell University Press, 2006).

subordinate to the United States.³⁷ As economies become more open, comparatively disadvantaged sectors shrink in size and political importance and comparatively advantaged sectors increase in size and political clout. Over time, as disadvantaged sectors, skills, and assets depreciate, and workers and investors shift into the advantaged sectors, the average citizen who might have originally preferred greater economic autonomy becomes increasingly dependent on and supportive of free trade.³⁸ Thus, political preferences in the subordinate state can, on average, shift in the direction favored by the United States. As suggested below, the process of vesting broad-based interests in U.S. international hierarchy has likely occurred in Western Europe since 1945, shifting the region to the northwest corner of figure 4 where hierarchy is less necessary and evident, and cooperation is based on more similar interests.

The same process can occur within the collaborationist elite in autocratic regimes, where the governing class benefits from the support of the United States and adjusts its investments and likely policy preferences accordingly. This process entrenches the elite into the U.S.-led order. Exogenous democratization will lead to substantial pressures to revise the contract on which hierarchy rests, seen clearly in renegotiations of basing rights in Greece, Spain, Thailand, and elsewhere.³⁹ Conversely, deeper hierarchy under autocratic rule can magnify blowback.⁴⁰ Recognizing that the elite is ever more dependent on the United States and rendered secure in power by its ties to Washington,

³⁷ Lake, *Hierarchy in International Relations*, 151-161.

³⁸ Oona Hathaway, "Positive Feedback: The Impact of Trade Liberalization on Industry Demands for Protection," *International Organization* Vol. 52, No. 3 (Summer 1998), pp.575-612; Rogowski, *Commerce and Coalitions*.

³⁹ See Cooley, *Base Politics*, Chap. 3.

⁴⁰ Chalmers Johnson, *Blowback: The Costs and Consequences of American Empire* (Boston, MA: Little, Brown and Company, 2000).

however, the political opposition is likely to become even more anti-American over time. Only by challenging international hierarchy and undermining the gains for either the local elite or the United States itself can the opposition come to power. As discussed below, al-Qaida eventually came to believe that the road to political reform in Muslim countries, and especially in Saudi Arabia, ran through Washington, D.C. As a result, it redirected its strategy and resources away from the “near enemy,” the apostate regimes in the Gulf, toward the “far enemy.”⁴¹ When the benefits are small and concentrated within an elite, international hierarchy can create a vicious circle of increasing animosity and decreasing legitimacy within the subordinate society.

THEORETICAL REPRISE

International hierarchy does not cause authoritarianism in any simple or linear way. At the least, the relationship between hierarchy and regime type is mediated by the magnitude of the gains from cooperation and how they are distributed between dominant and subordinate states, which is itself the result of a bargaining process between the two and the policy preferences of the two societies. More deeply, although framed mostly with a focus on hierarchy, it is equally plausible that an autocrat might reach out the United States and offer his country up as a subordinate to reinforce his rule at home. Cause and effect will run both ways, and will be muddled in any particular instance. Nonetheless, the theory laid out here implies the following comparative static relationships. First, the smaller the gains from hierarchy for the subordinate state or the smaller the gains to the dominant state, the more likely the subordinate regime will be authoritarian. Second, the larger the divergence in policy preferences between the

⁴¹ Fawaz A. Gerges, *The Far Enemy: Why Jihad Went Global*, Second ed. (New York: Cambridge University Press, 2009).

dominant state and the median citizen in the subordinate state, the more likely the subordinate regime will be authoritarian. Third, the governing elite within an authoritarian subordinate will be closer to the policy preferences of the dominant state than is the median citizen. Fourth, opposition movements within the subordinate state will be opposed to continued hierarchy with the dominant state, and their opposition will intensify as the elite becomes more entrenched in power. Fifth, democratic subordinates will, over time, develop more similar policy preferences; hierarchy will lessen; and relations will become more cooperative rather than authoritative.

Neither the gains from hierarchy nor the policy preferences of the dominant and subordinate states are directly observable or easily operationalized. The value of political order to both dominant and subordinate states is at least partly subjective, and the extent of that order is endogenous to the level of hierarchy that is constructed. All of the variables, including expected costs of opportunism and governance costs, are observed only in their realized state when a proper test of the theory would require an estimate of their magnitudes across a range of counterfactual hierarchies. Policy preferences have been measured by other analysts through the similarity of alliance portfolios and United Nations voting patterns, but both are also endogenous to hierarchy.⁴² Direct tests of the propositions above are, therefore, impossible at this stage of the research program. Nevertheless, the theory provides important insights into world politics.

Legitimizing U.S. Hierarchy

⁴² Bruce Bueno de Mesquita, *The War Trap* (New Haven: Yale University Press, 1981), Erik Gartzke, "Preferences and the Democratic Peace," *International Studies Quarterly* Vol. 44, no. 2 (June 2000), pp.191-212.

To establish the plausibility of the theory, I compare U.S. relations with its Middle Eastern subordinates, especially around the Arab Spring, to U.S. relations with Central American and European clients in earlier periods. In this section, I provide reasoned assessments of difficult to measure variables: the gains from hierarchy, differences in policy preferences, the nature of the elite coalition in power and opposition movements, if any. My aim is not to test the theory in any degree, but rather to fit together the pieces of a large, complex jigsaw puzzle so that the emergent picture seems reasonable given what we know about the real world.

THE “AMERICAN LAKE” IN THE CARIBBEAN

The United States began building an informal empire over states on the Caribbean littoral in the Spanish-American War of 1898.⁴³ Such a move had long been discussed and, importantly, supported by American investors and imperialists. By the start of World War I, at the latest, the United States had consolidated its control over the region, ensuring that friendly leaders were in power in all states with the exception of Mexico, with whom relations were in crisis.⁴⁴

The gains to the United States from its hierarchies on the Caribbean littoral were modest, but nonetheless significant. Spurred by the desire to replace the European colonial powers entrenched in the region, the United States quickly consolidated an

⁴³ On U.S. expansion in the Caribbean, see Walter La Feber, *The New Empire: An Interpretation of American Expansion, 1860-1898* (Ithaca, NY: Cornell University Press, 1963). On U.S.-Latin American relations more generally, see Peter H. Smith, *Talons of the Eagle: Dynamics of U.S.-Latin American Relations* (New York: Oxford University Press, 1996); Triska, *Dominant Powers and Subordinate States*.

⁴⁴ President Woodrow Wilson actively sought to subvert the regime of President Victoriano Huerta, landing the Marines in Veracruz, and then invaded the country in pursuit of rebel leader General Pancho Villa, who had decimated the U.S. town of Columbus, New Mexico with the intent of drawing the United States into his contest for power with the new President Venustiano Carranza.

exclusive informal empire. This not only gave it monopoly control over the security and economic policies of its subordinates, limiting possible inroads by the Europeans, but also secured its southern flank, a move that allowed Washington to deploy its growing power projection capabilities toward Europe and Asia. This informal empire also protected the new Panama Canal at little additional cost. The primary benefit to the United States was military expenditures not incurred in defending itself or the canal from other great powers that might have used the region for forward operations.

The costs to the United States, on the other hand, were substantial, taking the form mostly of twenty major military interventions in the region from 1898 to 1932.⁴⁵ Several of these interventions became protracted military occupations. What net gains there were, finally, were largely retained by the United States itself. There was little economic assistance or other aid to states in the region to compensate them for their lost sovereignty, at least not until President John F. Kennedy's Alliance for Progress beginning in the 1960s.

Policy preferences between the United States and the median citizens of various states in Central American were likely quite different. On the Caribbean littoral, the United States inherited, so to speak, states with highly unequal societies already dominated by landowning, agro-exporting elites put in place under prior Spanish rule.⁴⁶ Rather than siding with the broad populations of these countries, the United States allied

⁴⁵ Stephen Kinzer, *Overthrow: America's Century of Regime Change from Hawaii to Iraq* (New York: Times Books, 2006); Walter LaFeber, *Inevitable Revolutions: The United States in Central America* (New York: W. W. Norton, 1983).

⁴⁶ On inequality in Latin America, see Kenneth L. Sokoloff and Stanley L. Engerman, "History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World," *Journal of Economic Perspectives* Vol. 14, No. 3 (Summer 2000), pp.217-232.

itself with these existing elites who were, in turn, dependent on sales in the American market. In doing so, it reinforced the highly unequal and unstable political orders within these societies, which benefited the elites and shut off possibilities of political and economic reform that might have benefited the broader populations.

The informal American empire, thus, reinforced and bolstered authoritarian rule throughout the Caribbean and locked the landowning elites into the “American system,” as it was known. The states in the region were mostly authoritarian, at least until the 1960s (see figure 5). Indeed, with American support, authoritarian leaders, in a form of moral hazard, became possibility even more entrenched and exploitative. As President Franklin Roosevelt once remarked about dictator Rafael Leonidas Trujillo y Molina of the Dominican Republic, “[H]e may be an SOB”--and here is the supposedly happy part--“but at least he’s our SOB.”⁴⁷ The net result was a political order that was highly skewed toward the United States and its local collaborators. Opposition to this order was relatively rare, given the collective action problems for the masses created by centuries of political and economic inequality. When it did arise--as in Cuba Revolution of 1956; in the Dominican Republic in 1965, where a possible revolution was aborted by the landing of U.S. Marines; and in Nicaragua in the 1980s, where the United States supported the

⁴⁷ Quoted in Abraham F. Lowenthal, *The Dominican Intervention* (Baltimore, MD: Johns Hopkins University Press, 1995), p.25. The Dominican Republic is an exemplar of the hierarchies built by the United States in the region. On this case, see G. Pope Atkins and Larman C. Wilson, *The Dominican Republic and the United States: From Imperialism to Transnationalism* (Athens, GA: University of Georgia Press, 1998); Russell Crandall, *Gunboat Democracy: U.S. Interventions in the Dominican Republic, Grenada, and Panama* (Lanham, MD: Rowman and Littlefield, 2006); Jonathan Hartlyn, "The Dominican Republic: The Legacy of Intermittent Engagement," in *Exporting Democracy: The United States and Latin America*, ed. Abraham F. Lowenthal (Baltimore, MD: Johns Hopkins University Press, 1991), pp.175-214.

Contras against the Sandinista regime--political opposition took a strongly anti-American cast, as expected. Washington responded forcefully to these challenges.

More recently, U.S.-Central American relations have been reset on a new track that permits greater democracy in the region (figure 5). Under the press of globalization, many states on the Caribbean littoral have reoriented themselves as labor-intensive export platforms, shifting the median voter away from opposition to the agro-exporting elite to support for policies of greater economic integration preferred by the United States. The Dominican Republic is, perhaps, the exemplar of this trend. In turn, the United States has credibly signaled a rolling back of its level of hierarchy. In the wake of the Vietnam War, President Jimmy Carter sought to reorient long-standing U.S. hierarchies in Central America. He withdrew U.S. support for the most oppressive dictators in the region and returned the Canal to Panama as a signal of his commitment to a new relationship. This strategy was reversed in part by President Ronald Reagan, especially in his support for the Nicaraguan Contras. Nonetheless, over the last several decades Carter's approach has generally prevailed, and the United States has moved toward a less hierarchical relationship with its southern neighbors and greater support for democracy, a trend that was also facilitated in the 1990s by the convergence on the so-called Washington Consensus on economic policy. Whether or not policy preferences have aligned sufficiently for Central American states to have moved above the 45 - degree line in figure 4 remains an open question, but relations have obviously shifted to the left. Although the United States undoubtedly retains the ability – and perhaps the right – to intervene if necessary should an anti-American regime come to power, democracy appears more secure than at any point in the last century.

THE “EMPIRE BY INVITATION” IN EUROPE

The pattern in Europe after 1945 was dramatically different to that in Central America. To deter and, if necessary, fight the Soviet Union, the United States adopted a forward-based defense strategy after World War II. This strategy required substantial forces and bases be deployed abroad on a long-term basis, a possibility enabled by the existence of likely subordinate states in Europe. Given the conflict with the Soviet Union, the gains to the United States were enormous. Europe also gained substantially by not having to pay solely for its own defense.⁴⁸

Moreover, after the war at least, the policy preferences of the United States and the median citizen in most of Western Europe were relatively similar. All feared the possibility of future regional conflict, which had resulted in two world wars. Despite significant socialist and communist movements in France, Greece, and Italy, the fictive median voter in Europe likely feared the Soviet Union, albeit not to the same degree as the average American. And despite some dissent on the left, nearly all of Western Europe supported the political order favored by the United States, with its reliance on embedded liberalism in the economic sphere and democracy in the political sphere.⁴⁹ The United States also shared its gains from hierarchy with Western Europe, first through the

⁴⁸ On the costs and benefits of hierarchy with Europe after 1945, see Lake, *Entangling Relations*, Chap. 5. On the need for a forward-based defense strategy, see Melvyn P. Leffler, "The American Conception of National Security and the Beginnings of the Cold War, 1945-48," *American Historical Review* Vol. 89, No.2 (April 1984), pp.346-381. We cannot ignore completely, however, that the consolidation of the U.S. sphere in Europe heightened tensions with the Soviet Union and may have contributed to the Cold War, just as Soviet attempts to build an informal empire in Eastern Europe spurred U.S. antagonism.

⁴⁹ On Europe and the U.S.-led international order, see David P. Calleo and Benjamin Rowland, *American and the World Political Economy: Atlantic Dreams and National Realities* (Bloomington, IN: Indiana University Press, 1973); Ikenberry, *After Victory*, Chap. 6; Ikenberry, *Liberal Leviathan*.

Marshall Plan and, later, through unilateral policy concessions, including tariff reductions in early rounds of the GATT, that made participation in the American-led political order more attractive.

The large gains from cooperation between the United States and Europe, the redistribution of some American gains to its subordinates, and their broadly similar policy preferences all made hierarchy both possible and, importantly, consistent with democracy (figure 5). With much greater social equality than in Central America and past histories of democracy, imposing authoritative rule in Europe after 1945 would have been difficult, and would likely have precluded the United States from creating its sphere of influence if it had been necessary.⁵⁰ The United States did meddle in the internal affairs of France and Italy to prevent any electoral successes by communist parties after the war,⁵¹ and it redefined what was mostly an internal struggle in Greece in international terms, leading to the Truman Doctrine and the dramatic expansion of the U.S. role in Europe.⁵² Given the internal tensions within many postwar states, the United States did not assume that its new European “allies” would accept their subordinate positions without some potentially significant internal opposition. But, in fact, the gains from cooperation under hierarchy were large, broadly shared, and political preferences were

⁵⁰ This is less obvious than it seems in retrospect. Much of Europe had just been governed under the totalitarian Nazi regime, and the Soviet Union successfully imposed authoritarian regimes in Eastern Europe.

⁵¹ See James Edward Miller, *The United States and Italy, 1940-1950: The Politics and Diplomacy of Stabilization* (Chapel Hill, NC: University of North Carolina Press, 1986); Irwin M. Wall, *The United States and the Making of Postwar France, 1945-1954* (New York: Cambridge University Press, 1991).

⁵² Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, 1992), pp.142-146. The Greek communists were getting some aid from Tito in Yugoslavia, but there was never any evidence of Soviet involvement.

sufficiently similar that the limited rule of the United States over the foreign policies of its European subordinates was established democratically and with at least a broad measure of domestic support.

The transformation in Europe over time cannot be overstated. This was a region that had fought two world wars, both over political control of the continent and, in 1939, as a clash of ideologies among liberalism, fascism, and communism. Average levels of democracy fluctuated dramatically prior to 1945. After the war, rather than reifying these differences the United States supported moderate Christian Democrats in Germany and elsewhere willing to cast their lot with the U.S.-led order.⁵³ Having induced Europe into this order, the domestic political economies of the major powers, especially Germany, evolved quickly and created a consensus around European integration and support for the United States. The success of state building in Germany after World War II, a source of mystery to most contemporary analysts, had less to do with particular strategies employed by the United States and much more to do with the large gains from international cooperation that, through a degree of enlightened leadership in both the United States and the new elites in these previously authoritarian states, were broadly shared.⁵⁴ The result was a remarkably stable, democratic international hierarchy led by the United States. Even the socialist and communist parties in Europe softened their opposition to U.S. hierarchy over time, with the Italian Communist Party announcing in

⁵³ On U.S. support for moderates in Germany, see *ibid.*, pp.318-319.

⁵⁴ On the mysterious success of statebuilding in Germany and Japan, see James Dobbins et al., *America's Role in Nation-Building: From Germany to Iraq* (Santa Monica, CA: RAND, 2003), Chaps. 2 and 3.

1975 that it favored continued membership in NATO.⁵⁵ Today, some European states remain avid supporters of U.S. leadership, such as Great Britain, but most have moved from relations of hierarchy in the early postwar period to cooperation based on relatively similar policy preferences.⁵⁶ Hierarchy has not diminished as a result of new demands for sovereignty or national control, but because the United States and Europe have moved sufficiently together that authority is less necessary to reap the gains of pooling efforts and resources in world affairs.

A NEW WORLD ORDER: AMERICAN HIERARCHY IN THE MIDDLE EAST

Since at least 1933, when Standard Oil (Socal) first began investing in Saudi Arabia, the United States has sought to develop a more prominent role in the Middle East and to recruit subordinates through which it could influence events in the region. This effort expanded after World War II, and became more intense in the late 1960s as Britain withdrew East of Suez. It was at this time that the United States made a decisive commitment to Israel during the 1967 Arab-Israeli War. The U.S. effort expanded further in the 1970s after the Organization of Oil Exporting Countries embargoed oil shipments to North America and Europe, dramatically increased oil prices, and shifted enormous wealth to the oil-producing states. Long-standing ties to Saudi Arabia, which had frayed

⁵⁵ Robert D. Putnam, "Interdependence and the Italian Communists," *International Organization* Vol. 32, No. 2 (Spring 1978), pp.301-349. There was, of course, some significant blowback against the United States in those European countries that suffered under authoritarian rule supported by Washington. This was most acute after the end of military rule in Greece, but was also manifest in Spain and Portugal after democratization as well. See Chalmers Johnson, *The Sorrows of Empire: Militarism, Secrecy, and the End of the Republic* (New York: Metropolitan Books, 2004), pp.204-207.

⁵⁶ Differences remain, of course, with some embodied in Robert Kagan's catchy metaphor that Europe is "from Venus" and the United States is "from Mars." Robert Kagan, *Of Paradise and Power: America and Europe in the New World Order* (New York: Alfred A. Knopf, 2003). Few of its subordinates were willing to support the United States in its war against Iraq in 2003.

during the early 1960s, were strengthened, and deeper ties were formed with the shah of Iran under the Nixon Doctrine, through which the United States attempted to court and prop up subordinate regimes in the region.⁵⁷ U.S. involvement grew again during the Persian Gulf War, when the United States deployed massive forces to the region for the first time and in the invasions of Afghanistan in 2001 and Iraq in 2003.⁵⁸

Today, the United States has limited hierarchies over many states in the Middle East, especially the Persian Gulf. These relationships are depicted in figure 2b. Some states,--for example, Algeria, Tunisia, and Turkey--are clustered near the origin in the “anarchic” (southwest) corner of the graph. Most of the Persian Gulf states, on the other hand, are ranked as highly subordinate in economic terms, with only Kuwait (a strong outlier), Bahrain, and Qatar scoring significantly in terms of security hierarchy in 2005. A comparison of 1965 and 2005 reveals a dramatic increase in economic hierarchy for the Persian Gulf states. These states now resemble those on the Caribbean littoral. The measures of security hierarchy, which rank states intuitively in other regions, also likely underestimate the extent of U.S. hierarchy in the Middle East.⁵⁹ Given Washington’s backing of Israel, no Arab regime can be seen as too sympathetic to the United States, and few are willing to sign formal alliances or host U.S. bases or open-ended troop

⁵⁷ On U.S.-Saudi ties, see Madawi Al-Rasheed, *A History of Saudi Arabia* (New York: Cambridge University Press, 2010), pp.113-116 and 135-157. On Iran, see Robert Litwak, *Detente and the Nixon Doctrine: American Foreign Policy and the Pursuit of Stability, 1969-1976* (New York: Cambridge University Press, 1984), pp.139-143.

⁵⁸ On building U.S. hierarchy in the Middle East, see Anne Mariel Zimmermann, *Aid for Allies: State Building and Hierarchy in the Middle East*, book manuscript, Wesleyan University, Middletown, CT (in progress).

⁵⁹ For an alternative set of measures of U.S hierarchy, some more tailored to the Middle East, see Anne Mariel Zimmermann and Sean Yom, "International Hierarchy: Sovereignty and Order in the Modern World," presented at the annual meeting of the American Political Science Association, Seattle, WA, September 2011.

deployments, traditional vehicles through which the United States has exercised its authority elsewhere. Nonetheless, through more covert ties, overt but less “permanent” forms of cooperation such as joint military training exercises, and the implicit dependence of many regimes in the region on the protection of the United States, Washington exerts considerable authority over the foreign security and economic policies of its traditional partners of Egypt, the Gulf Emirates, Kuwait, and Saudi Arabia, and now including Iraq and Afghanistan as a result of recent wars.⁶⁰ Real security hierarchy is likely greater than these imperfect measures suggest.

The gains for the United States from these hierarchies are hard to estimate but likely limited. The United States is deeply involved at present in providing regional stability, which produces, foremost, a secure supply of oil at moderate prices for itself and other countries around the world. Oil security appears to be the primary benefit to the United States. It is difficult to see what other strategic interests the United States has in the region that are not connected to the effort to create international hierarchies themselves. The cost of stabilizing the region, on the other hand, has been enormous. The peace dividend, much anticipated at the end of the Cold War, has been largely swallowed by attempts to assert U.S. authority in the region, including three wars (1993, 2001, and 2003) and the larger global war on terror. Some significant fraction of the benefits possibly earned by the United States through its regional hierarchies are returned to subordinates in foreign aid, most importantly to Israel and Egypt (in 2010, a total of \$4.6

⁶⁰ Missing economic data drops Iraq and Afghanistan from Figure 2b. In 2005, Iraq scores 0.97 on the security hierarchy index, which is strikingly high since no formal alliance exists (the military personnel index alone is 1.95). Afghanistan scores 0.11 on the security hierarchy index (0.22 on the military personnel index).

billion). The benefits and costs to the United States of its Middle Eastern hierarchies are difficult to quantify, but on net the gains by the United States appear small.

States in the region, however, benefit significantly from the political order produced by the United States. For decades, the United States has been the ultimate guarantor of the security of its subordinates. Israel, which is largely capable of defending itself and has defeated its enemies at every turn in the past, is nonetheless dependent on the United States for weaponry and as a protector of “last resort,” to borrow a phrase from financial circles. As proven in 1991, despite billions of dollars of sophisticated weapons purchased from the United States, Saudi Arabia cannot defend itself against the regional forces potentially arrayed against it.⁶¹ This holds even more so for Kuwait, which was overrun by Iraq in one night, and the Emirates, which are equally vulnerable because of their tiny size. If its subordinates had to pay for their own security, either the political landscape of the Middle East would be very different -- with the many small states consolidated into a few larger ones -- or their defense burdens would be greater than now, potentially bankrupting all but the richest.

The policy preferences of the United States and the median citizen in the Middle East are quite far apart. Even absent U.S. support for Israel, a flashpoint for most Arabs, history, culture, and religion have conspired to keep the West and the Muslim world apart. One need not subscribe to the clash of civilizations to recognize that these are different and distinct societies.⁶² Resource extraction typically does not breed

⁶¹ On military capabilities and strategy during the war, see Lawrence Freedman and Efraim Karsh, *The Gulf Conflict, 1990-1991: Diplomacy and War in the New World Order* (Princeton, NJ: Princeton University Press, 1993).

⁶² Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996). For an alternative view of civilizational

entrepreneurship or support for economic liberalism, a key pillar of the U.S.-led international order.⁶³ Distant policy preferences, along with small gains to the United States, imply that U.S. subordinates will be governed by authoritarian regimes. The benefits appear insufficient to bridge the gap between the states, and the United States likely cannot compensate its subordinates enough to close it. Accordingly, the Middle East today is one of the least democratic regions of the world (figure 5).

As predicted, authoritarian states have permitted the small governing elites—more pro-Western than their populations—to appropriate most of each country’s gains from hierarchy. Until the Arab Spring, regime opponents have also, as expected, been strongly anti-American. From the Muslim Brotherhood in Egypt to al Qaeda, which turned its focus toward the “far enemy” after U.S. forces were stationed on Saudi soil in 1990, radical groups shut out of power have recognized that the road to revolution at home runs in part through Washington, D.C.⁶⁴

THE ARAB SPRING. The Arab Spring appears at first blush to challenge the theory. The wave of demonstrations that swept across North Africa and the Middle East in early 2011 did not take a virulently anti-American form, despite long-term support from the United States for some of the dictators forced from power, especially Egyptian President Mubarak. Indeed, many protestors claimed to look up to the United States as a democratic ideal and appealed to Washington to support their cause. This was a genuine surprise to most Americans, a fact that attests to how deeply the logic of U.S. support for

cleavages, see Peter J. Katzenstein, ed., *Civilizations in World Politics: Plural and Pluralist Perspectives* (New York: Routledge, 2010).

⁶³ Michael L. Ross, "The Political Economy of the Resource Curve," *World Politics* Vol. 51, No. 2 (January 1999), pp.297-322.

⁶⁴ On Al-Qaeda, see Gerges, *The Far Enemy*.

authoritarian regimes is embedded in the thinking of officials in Washington. The often pro-Western views of the demonstrators, in turn, likely opened the United States to greater support for political change in the Middle East than if, say, the Muslim Brotherhood had initially been in the vanguard rather than the rear in such places as Egypt.⁶⁵ Continued U.S. skepticism toward the Arab street, however, may be well founded. A 2011 Zogby poll found that Arab attitudes towards the United States, which rose from 9 percent positive in 2008 to 30 percent in 2009, soon after President Barak Obama's "New Beginning" speech delivered in Cairo in June, are back down to less than 10 percent. In Morocco, Egypt, Jordan, and the United Arab Emirates (UAE), attitudes toward the United States are lower now than in the last year of the George W. Bush administration and in every country polled more than 70 percent of respondents disagree that the United States "contributes to peace and stability in the Arab world."⁶⁶ The euphoria of the protests, directed at their home regimes rather than the United States, does not carry over into more general opinion.

At a deeper level, the U.S. response to the Arab Spring is consistent with and, indeed, illuminated by the theory presented in this article. This response has often been characterized as inconsistent and even contradictory by critics from the left and right, with calls by the Obama administration for revolution in one country being offset by calls

⁶⁵ On the deep sources of the Arab Spring in Egypt, see Steven A. Cook, *The Struggle for Egypt: From Nasser to Tahrir Square* (New York: Oxford University Press, 2012). For its connection to anti-imperialism, see James Petras, *The Arab Revolt and the Imperialist Counterattack* (Atlanta, GA: Clarity Press, 2012). For contrasting views of its social basis, see John R. Bradley, *After the Arab Spring: How Islamists Hijacked the Middle East Revolts* (London: Palgrave Macmillan, 2012); Robin Wright, *Rock the Casbah: Rage and Rebellion across the Islamic World* (New York: Simon and Schuster, 2011).

⁶⁶ Arab American Institute Foundation, *Arab Attitudes, 2011*. Conducted by Zogby International. Available at: http://aai.3cdn.net/7bd3659607410109f3_x2m6baq6q.pdf (accessed Feb. 27, 2013).

for restraint by the protestors in another. The theory suggests a dark logic that appears consistent with recent U.S. actions. Recognizing both the unique nature of the protests in each country, and the difficulty of capturing accurately fast-moving events, the U.S. response can be described as “the three S’s”: support subordinate leaders who face only minor protests, stabilize subordinates when the old regime is no longer tenable, and subvert the regimes of nonsubordinates.

In traditional subordinates that have not yet experienced significant protests, including Kuwait, Qatar, Saudi Arabia, and the UAE, the United States has continued to back the status quo, at least through its silence. Neither President Obama nor Hillary Clinton when she was secretary of state ever mentioned “Saudi Arabia” in public in the context of the Arab Spring protests, although Clinton did issue words of support for the Saudi women who protested the ban on driving by getting behind the wheel on June 17, 2011.⁶⁷ This studied silence must be interpreted as at least implicit support for the existing regimes. Nor did Washington condemn or even criticize Saudi Arabia’s sending troops to support the embattled monarchy in Bahrain, also strongly backed by the United States. In Qatar, on the other hand, the United States praised the emir for his support for democracy in the region, although there were no significant reforms within his own country, and his military assistance in Libya.⁶⁸

In subordinate states with large protests, on the other hand, the U.S. strategy has been to support the targeted regime until its demise appears all but inevitable, and then to seek stability through empowering the military or other pro-Western groups. Fearful that

⁶⁷ http://www.cbsnews.com/8301-503544_162-20072983-503544.html. Accessed April 9, 2012.

⁶⁸ <http://www.whitehouse.gov/the-press-office/2011/04/14/remarks-president-obama-and-emir-hamad-bin-khalifa-al-thani-qatar-after->. Accessed April 9, 2012.

the protestors may be or will turn anti-American, or that radical Islamists will seize power in the transition, the United States has sought to support pro-Western elites, often associated with the old regime, and to limit political reforms to the bare minimum necessary to quell the protests. Thus, in Egypt, when it became clear that President Mubarak had to leave office to appease the protestors, the United States worked with the military (with which it has close ties) to facilitate a transition to a new regime that, while minimally satisfying to the protestors, would sustain the military's hold on power and the economy. Once the Muslim Brotherhood indicated that it would respect Egypt's prior international agreements, especially with Israel, and would not be virulently anti-American, the Egyptian military and the Brotherhood formed a modus vivendi with U.S. acquiescence if not active support.⁶⁹ In the recent coup in July 2013, the United States likewise took a neutral stance, neither supporting President Mohammed Morsi and his Muslim Brotherhood nor condemning the military for overthrowing a democratically elected leader. A similar pattern emerged in Yemen, where the United States sought to ease the transition from President Ali Abdullah Saleh to apparently pro-American elements within the military, with Saleh's vice president eventually taking power in early 2012. As President Obama declared early on in the case of Yemen, the United States "support(s) a peaceful and orderly transition of power that begins immediately," although stability itself remains elusive.⁷⁰

⁶⁹ David Kirpatrick, Egypt Military Moves to Cement A Muscular Role in Government, *New York Times*, July 17, 2011 (National Edition), p.A1.

⁷⁰ <http://www.whitehouse.gov/the-press-office/2011/05/19/fact-sheet-moment-opportunity-middle-east-and-north-africa>. Accessed April 9, 2012. On the consequences, see Robert F. Worth, "Yemen, Hailed as Model, Struggles for Stability," *New York Times* (National Edition), February 19, 2013, p.A4 and A11.

Finally, in nonsubordinates, and especially in “rogue” states that the United States has long opposed, Washington has eagerly embraced the protestors in an attempt to subvert their regimes. In Libya, the Obama administration joined with the Europeans in supporting rebels with arms and other assistance in their overthrow of the government of Muammar al-Qaddafi. In Syria, the United States has repeatedly condemned the government’s “murder and mass arrests of its people,” imposed sanctions on members of the regime, and pledged to stand by the Syrian people. In strong words, tantamount to calling for the ouster of Syria’s leader, President Obama declared early in the crisis that “President [Basher] Assad now has a choice: he can lead the transition, or get out of the way.”⁷¹ Since then, the United States has attempted to walk a fine line between broadening and organizing the Syrian opposition and directing its support and the flow of arms so as not to bolster radical elements in the opposition. It has also pushed for resolutions in the United Nations condemning Syria, which have been blocked by Russia and China. In nonsubordinates, the United States has been quick to disavow the existing regimes at the first sign of successful domestic opposition. By supporting the opposition and making them dependent on Western aid, as in the case of Libya, the United States is courting possible new regimes that will owe their very existence to Western support and will be likely to accept a new, subordinate status within the U.S. political order.

Rather than supporting democracy everywhere as critics demand, the United States is continuing to build and maintain its hierarchies in the Middle East. Upholding its authority contract with subordinates, the United States seeks to sustain the political order that supports their authoritarian regimes and compromises only when necessary.

⁷¹ <http://www.whitehouse.gov/the-press-office/2011/05/19/fact-sheet-moment-opportunity-middle-east-and-north-africa> Accessed April 9, 2012.

With limited gains from cooperation in the region, it cannot envision revolutions that are both democratic and pro-American. The Arab Spring will likely look less like Western Europe after 1945 and more like Central America and the Caribbean in the opening decades of the twentieth century. States loyal to the United States are preferred to regimes, however democratic, that are likely to resist its authority in the future. *Plus ça change, plus c'est la même chose.*

TWO FACES OF THE FUTURE. Given the fragility of U.S. hierarchy and mass demands for greater democracy, “what is to be done?” -- to quote Vladimir Lenin, who certainly understood problems of empire and how to exploit them. There are a range of alternatives, but two extremes posed in stark form illustrate the trade-offs facing U.S. policymakers today. Given the limited gains from cooperation in the Middle East, the United States can either seek to win the “hearts and minds” of the Arab “street,” as suggested by its new counterinsurgency strategy, or it can retrench as Britain did in the 1960s in similar circumstances.

Since 2007, the United States has developed a new counterinsurgency strategy, with a focus is on protecting local people from harm, providing the public services they need, and ultimately earning their loyalty. Central to this strategy is the same theory of legitimacy that underlies the analysis here, that dominant states gain the support and acceptance of subordinates by providing essential public services, especially security.⁷² One alternative in the Middle East today is to generalize this counterinsurgency strategy

⁷² On the new counter-insurgency doctrine, see David A. Lake, "The Practice and Theory of U.S. Statebuilding," *Journal and Intervention and Statebuilding* Vol. 4, No. 3 (September 2010), pp.257-284; *The U.S. Army/Marine Corps Counterinsurgency Field Manual: U.S. Army Field Manual No. 3-24: Marine Corps Warfighting Publication No. 3-33.5*, (Chicago, IL: University of Chicago Press, 2007).

to the regional or global level and preempt opposition before it becomes even more anti-American. To do this, the United States would have to transfer a larger share of the gains from cooperation to societies in the region, most likely expanding efforts at political and economic development much as it did in Europe after World War II. It would also have to ensure that these benefits are broadly distributed and not simply appropriated by existing collaborators. In this alternative scenario, the United States must buy the support of the average citizen in its Middle Eastern subordinates, not the small autocratic elite that it has already paid for. Such a global counterinsurgency strategy would entail significant increases in foreign aid, expanded support for entrepreneurship and economic openness in Arab societies, and new limits on the deadening hand of state power and corruption. This “Marshall Plan” for the Middle East would not be cheap, nor is it likely to have a dramatic impact in the short term. But with time, by focusing on improving the lives of moderates in the Arab world, the United States might build broader legitimacy for its hierarchies in the region and, in turn, democracy.

Alternatively, the United States could withdraw from the Middle East after concluding that hierarchy in the region is not “worth the candle.”⁷³ Although the potential gains from fully integrating the Middle East into the *Pax Americana* may be much larger than those realized now – imagine a future Middle East as prosperous and economic integrated as Europe -- the costs of getting to this point are likely insurmountable, or at least far beyond anything American taxpayers are willing to support. Although the United States ultimately succeeded in extending a degree of imperial control over Central America, it took nearly thirty years and twenty military interventions to establish its

⁷³ Robert Jervis, "The Compulsive Empire," *Foreign Policy*, No. 137 (July 2003), pp.83-87.

authority. Western Europe was the happy by-product of global wars fought for other reasons. Contemporary Americans are unlikely to support the effort necessary to pacify the Middle East. As British economic historian Niall Ferguson has written, they simply “lack the imperial cast of mind.”⁷⁴

The assumption that the United States actually has many vital interests in the Middle East is often taken as an article of faith in Washington, but it is an assumption that should be critically examined. The Middle East’s primary resource, oil, is readily available from other countries in other regions. The Persian Gulf states accounted for only 29 percent of world petroleum output in 2011, the latest year for which data are available.⁷⁵ The region’s share of global production is steadily declining as new energy sources come online. Importantly, while Americans worry about security of supply, it is as much in the interests of oil producers to sell their output as it is in the interests of consumers to buy it. Conservatives who advocate a forward stance in the Middle East abandon their faith in free markets inappropriately. Price manipulation by OPEC is a possibly, albeit a declining threat, as the organization’s control over new entrants in the oil market is steadily receding and alternative energy sources are developed. Moreover, with what we now know about global climate change, countries everywhere ought to be raising the price of oil to reduce consumption. As *New York Times* columnist Thomas Friedman has frequently argued, the United States should sharply tax oil imports to both reduce carbon emissions and break the backs of petro-states who use their proceeds to

⁷⁴ Niall Ferguson, *Colossus: The Price of America's Empire* (New York: Penguin Press, 2004), p.29.

⁷⁵ The Middle East as a whole is approximately 31 percent of global petroleum output. U.S. Department of Energy, U.S. Energy Information Administration, available at: <http://www.eia.gov/cfapps/ipdbproject/IEDIndex3.cfm?tid=5&pid=53&aid=1> (accessed Feb. 9, 2013). Calculations by author.

exploit their own people, fight foreign wars, and support terrorists.⁷⁶ Finally, as oil and gas extracted from shale rock formations increases, the United States is likely to surpass Saudi Arabia as the world's largest oil producer by 2017 and may become energy independent by 2030.⁷⁷ What happens in the Middle East is likely to become increasingly irrelevant to the United States in the decades ahead.

The U.S. hierarchies in the Middle East are a choice, not a requirement, for future prosperity. A radical retrenchment from the Middle East is both possible and prudent. Current leaders in Washington from across the political spectrum appear to take the need for expanded hierarchies in the region for granted. In debating the future of U.S. policy in the Middle East, this is the question where we should focus our attention.

CONCLUSION

In tyrannies, the ruler uses coercion to maintain power and control. By repressing society, the ruler rules but without legitimacy. This is a very costly and inefficient way to govern. Most rulers use authority to maintain power and to work their will on society; authority, in turn, requires that they rule legitimately with at least the acquiescence and possibly the support of some significant fraction of those who are bound by their laws. Key to building legitimacy is the provision of political order that leaves society better off than plausible alternatives.⁷⁸ This is how the United States legitimates its partial rule over

⁷⁶ Many of his columns reappear in altered form in Thomas L. Friedman, *Hot, Flat, and Crowded: Why We Need a Green Revolution - and How It Can Revive America, Release 2.0* (New York: Picador, 2009).

⁷⁷ Benjamin Alter and Edward Fishman, "The Dark Side of Energy Independence," *New York Times*, April 28, 2013, p.SR5.

⁷⁸ On domestic public goods provision and legitimacy, see Michael Hechter, "Alien Rule and Its Discontents," *American Behavioral Scientist* Vol. 53, No. 3 (November 2009),

other states in the contemporary world. It is the foundation on which international hierarchy rests.

Yet, political order has strong distributional implications both between and within states. These distributional implications open up hybrid forms of rule that combine authority over some subjects, who regard the ruler as legitimate, and tyranny over others, who do not. When the gains from cooperation are large and broadly distributed, international authority prevails, rule is broadly legitimate, and hierarchy is compatible with democracy. When the gains from cooperation are small or captured by the dominant state or by a ruling elite within the subordinate state, on the other hand, international legitimacy is limited to local collaborators who benefit from their ties to the dominant state. In such cases, international hierarchy is incompatible with democracy. With small or concentrated benefits, the majority within the subordinate state would, if it could, disavow the authority of the dominant state. Hierarchy will not be formed or, if it is, it is sustained only by supporting a governing elite that represses the majority. International hierarchy does not always require authoritarian rule, breaking any simple correlation between hierarchy and nondemocratic regimes. But when the gains are small and concentrated, authoritarian rule is necessary if the hierarchy is to endure.

This pattern has repeated itself in the states on the Caribbean littoral, where until recently democracy was rare, and in the Middle East, where today the United States is attempting to expand new international hierarchies. In these cases, although the United

pp.331-353; Margaret Levi, Audrey Sacks, and Tom R. Tyler, "Conceptualizing Legitimacy, Measuring Legitimate Beliefs," *American Behavioral Scientist* Vol. 53, No. 3 (November 2009), pp.354-375; Bo Rothstein, "Creating Political Legitimacy: Electoral Democracy Versus Quality of Government," *American Behavioral Scientist* Vol. 53, No. 3 (November 2009), pp.311-350.

States may rule authoritatively through the local elites it supports, it governs the majority of the various populations in a more tyrannical fashion, allowing and, indeed, encouraging its local collaborators to rule through coercion. Such authoritarian hierarchies are unstable. With hierarchy arising precisely where the gains from cooperation are small, the United States is fickle, unreliable, and not committed to stability over the long run. Local elites, backed by the United States, nonetheless fall into the moral hazard trap and retain too much of the gains from hierarchy for themselves, increasing the likelihood that a domestic revolution will sweep away the ruling elite--and U.S. authority as well.

Legitimate international power – in a word, authority – is possible. Historically, dominant states have governed greater or lesser ranges of policy in a wide variety of subordinate states. Although limited to indirect forms of rule, international hierarchy is no less possible today than earlier. In international relations, legitimacy is not conferred by established legal institutions. No lawful body nor body of law authorizes the United States to exercise legitimate power over others. The United States must earn its authority by providing political orders of value to its subordinates, or at least of value to the ruling segments of its subordinates. It has done so with remarkable success in some countries at some times. Yet, because legitimacy is earned rather than conferred, it must be constantly justified and defended. The United States required decades to consolidate indirect rule over Central America. The question today is whether this is a cost the United States is willing to bear in the Middle East.

Figure 1. International Hierarchy

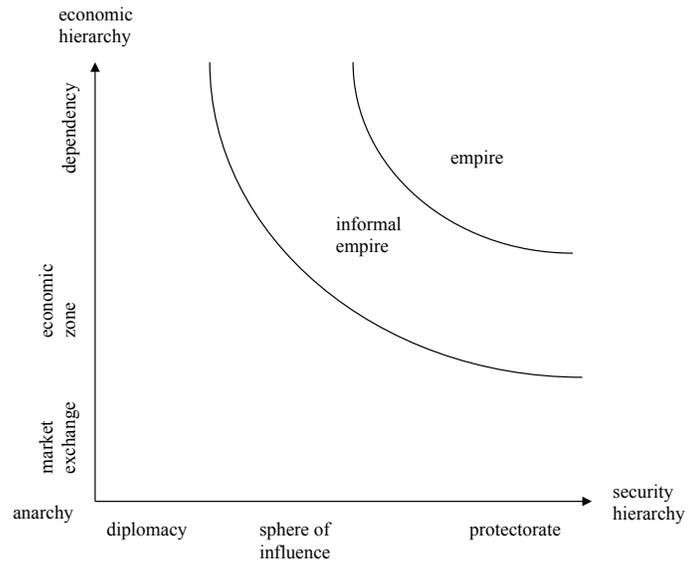


Figure 2a. U.S. International Security and Economic Hierarchy, 1965

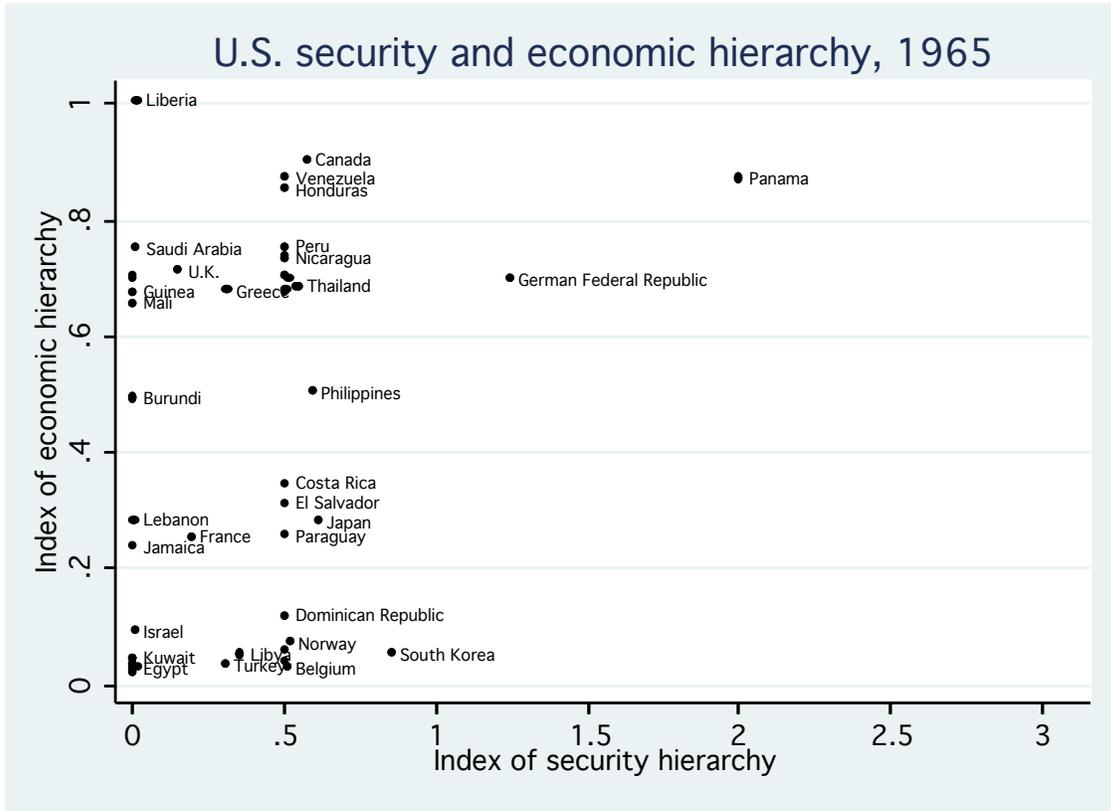
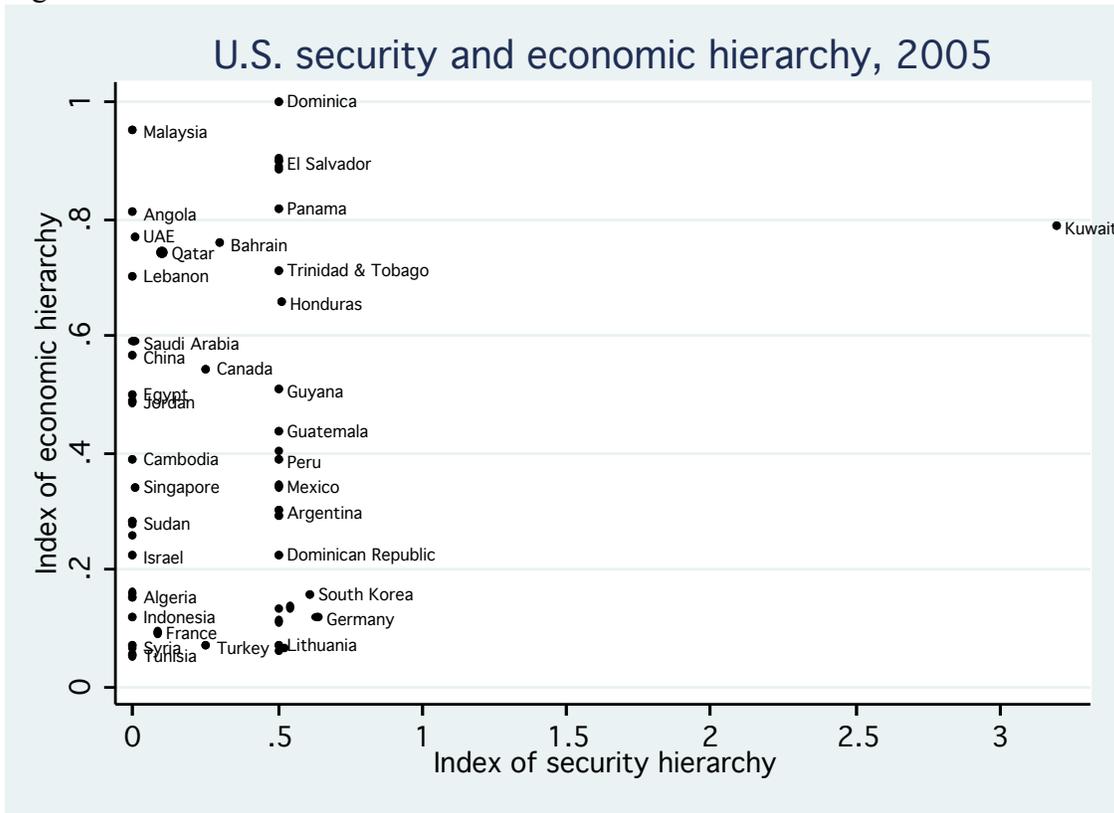


Figure 2b



Each dot represents a country, but not all countries are identified by name.

Figure 3. Policy Preference Distance and the Size of the “Collaborationist” Elite, Holding the Gains from Hierarchy Constant

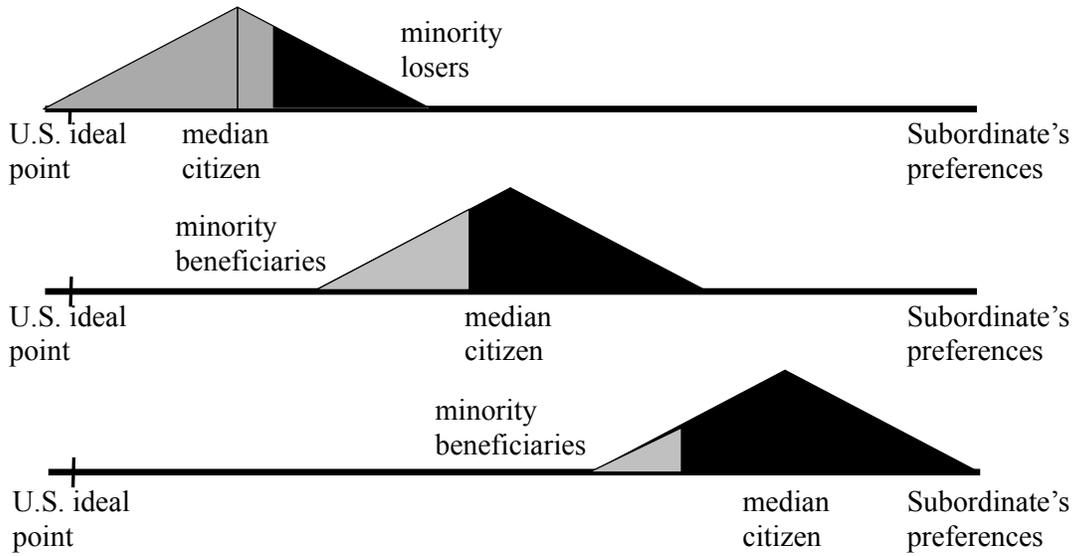


Figure 4. The Gains from Hierarchy, Policy Preferences, and Regime Type

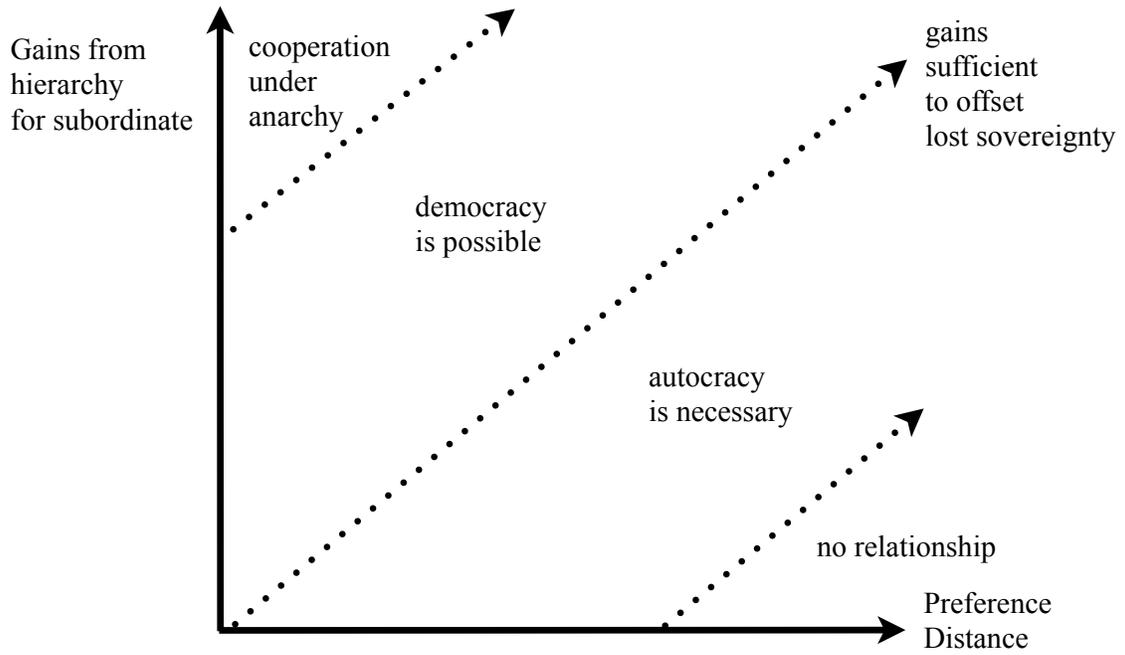
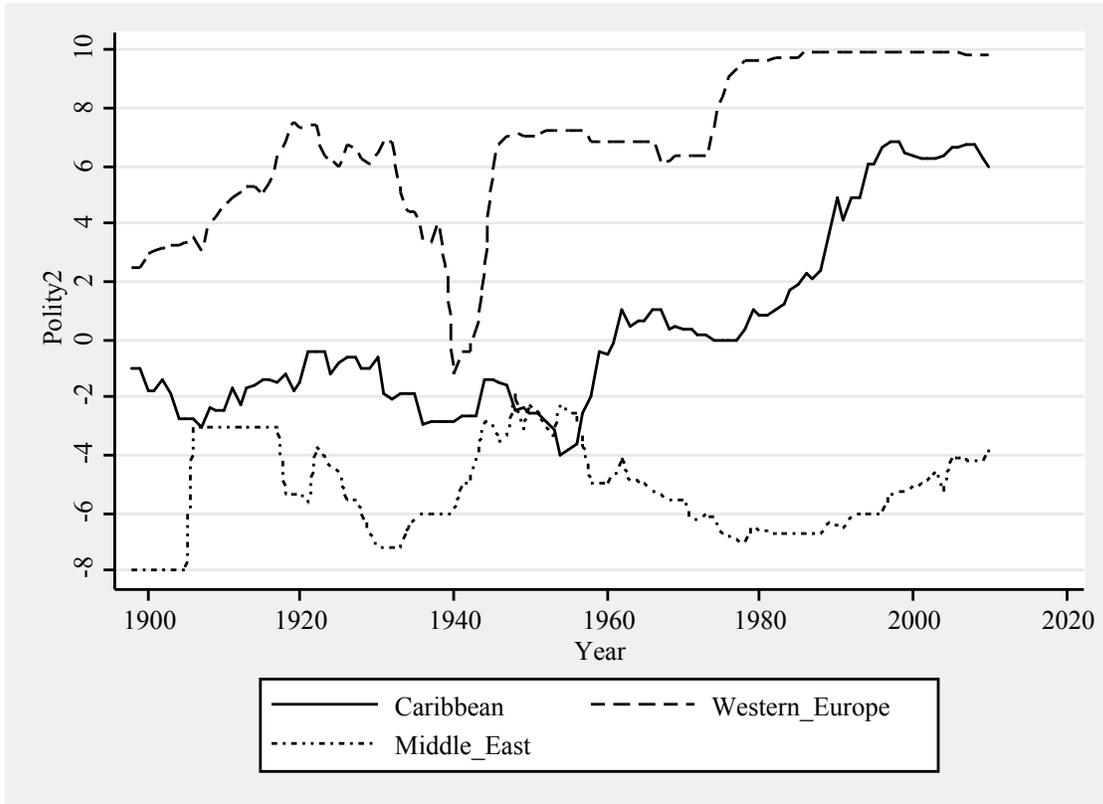


Figure 5. Average Level of Democracy, by Region, 1898-2010



Average level of democracy measured by Polity2, which varies from -10 to 10. Source: Polity IV Annual Time-Series 1800-2010. Regions defined by COW country codes for Caribbean 40-110; Western Europe 200-260, 305, 325, 350, 380-390; Middle East 630-698, except 640 (Turkey).