

Bipolarity or Hegemony? Latin America's Dilemma for the 21st Century

Written by Luis L. Schenoni

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LUIS L. SCHENONI, FEB 24 2019

Most IR scholars around the globe already visualize world politics will be dominated by China and the US in the decades to come. I argue that the current debate about this future tends to converge around two ideal types that are transversal to IR paradigms and hold different (even contradictory) predictions both for great power politics and the foreign policy of minor states. On the one hand, some envision permanent great power friction in a bipolar setting. On the other hand, others anticipate a more rapid resolution of the leadership dispute within a context of hegemonic transition. I analyze the consequences this tale of two scenarios holds for Latin America. To do so, I focus on two classics by Kenneth Waltz (1979) and Robert Gilpin (1981), which succinctly summarize a larger scholarship I revised elsewhere (Schenoni 2018; Schenoni 2019). My conclusions suggest Latin American foreign policies should be based on a lucid assessment of which of these global trends is taking place. If a bipolarity framework takes hold, conservative foreign policies will pay off in a world with clearer rules but reduced margin of maneuver for Latin America. Conversely, a scenario of hegemonic transition will be characterized by uncertainty and incentives to take risks. In this case, fortune will favor the bold.

Scenario 1: Bipolarity

"A new Cold War has begun," says Robert D. Kaplan (2019) in the title of his most recent article in *Foreign Policy*. There, he predicts the United States and China will be locked in a global contest for decades to come, a forecast that had already been insinuated by many scholars and pundits. In Latin America, the Venezuelan crisis provided the latest excuse for such imagery to resurface. There, Russian interests in the arms and oil sectors have somehow overshadowed the central importance of China as the main source of foreign economic and political support keeping the Maduro regime alive. Venezuela is the first instance since the end of the Cold War of an authoritarian regime in Latin America being overtly and effectively backed by an extra-hemispheric power. This situation evokes the second half of the (short) twentieth century in the region and suggests foreign policy should be planned with that experience in mind.

What should Latin America expect from a bipolar structure? Regarding the relations between China and the United States, IR theories of polarity propose the lower the number of great powers (*two* being the lowest possible number) the lesser the chance of military confrontation between them. Building upon theories of oligopolistic competition, Kenneth Waltz (1979: 135-136) argued this is due to a number of factors: (i) the costs of bargaining decrease because there are less dyads involved, (ii) the incentives to free ride on third party bargains decrease, (iii) each great power acquires a larger stake in the system staying as is, thus becoming pro status quo, (iv) the costs of enforcing agreements and collecting gains decrease, (v) with less dyads the difficulty of reaching agreements decreases as well, and (vi) monitoring and surveillance is easier. Furthermore, a system of only *two* great powers is even less war prone than any other because it (vii) precludes the possibility of external balancing – i.e. none of the contenders relies on third parties that might offset their balance.

All in all, a bipolar world is supposed to be more peaceful and predictable at the level of great power politics. Yet, bipolarity holds a whole lot of constraints and liabilities for minor powers in general. Waltz (1979: 135) also predicts that the fewer great powers in a system (viii) the relative size of great powers should grow bigger, increasing their

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chance of survival. Conversely, (ix) *second-tier states are less likely to achieve great power status*. This is of course bad news for Brazil and any other prospective rising powers in the neighborhood and beyond (Urdinez et al 2016a). Since military interdependence – the dependence on other states to wage war – in bipolarity is low, (x) the gap in military technology and arsenals between the two great powers and the rest should also grow bigger (Waltz 1979: 169).

On top of that, because they have to monitor only one contender, (xi) *great powers can more easily predict and detect deals made to their disadvantage, which reduces the leverage and space of maneuver for small states*. In such world, spheres of influence become rigid, and states are virtually impeded from realigning (Waltz 1979: 163). Perhaps the most unsettling prediction bipolarity holds for Latin America is what became known as the “stability-instability paradox:” Because the two great powers will be intensely focusing on each other’s moves, bipolarity simultaneously decreases the risk of great power war by miscalculation while promoting (xii) *overreaction in the context of minor, peripheral crises* (Waltz 1979: 172). Since great powers fear crises in the periphery might escalate, they will also (xiii) *manage crises in the periphery bilaterally, excluding local actors* (Waltz 1979: 194).

Scenario 2: Hegemony

Although almost every scholar now agrees that China and the United States will take the central stage of world politics in years to come, not everyone agrees this process is best conceptualized as an emerging bipolarity. At least half of the IR crowd is in fact convinced that the bipolar moment will be less rigid and more distended (cf. Actis and Creus 2018). For these scholars, if and when a confrontation ensues, it will be rapidly resolved, and either Washington or Beijing will take the lead. The cognitive shortcut in this case does not lead to the Cold War, but something more like the transition from the *Pax Britannica* to the *Pax Americana*.

In Latin America, the growing importance of Chinese investment and trade – displacing or replacing that of the US – has also been cast under the light of a hegemonic transition (Urdinez et al 2016b). This constant and subtler process of systemic change (Gilpin 1981: 43), whereas China gains terrain step by step, mimics the progressive withdrawal of British capital and expansion of US influence in the Americas during the first half of the twentieth century, and suggests foreign policy should be planned with that experience in mind.

What should Latin America expect from a hegemonic transition? Regarding the relations between China and the United States, IR theories of hegemonic change assume that the international order is sustained by the primacy of one state that, at some point, is inevitably challenged altogether with that order. Robert Gilpin (1981: 11) explained this is because (i) international systems are stable as long as no states believe it is profitable to change them, (ii) states will attempt to change the system if the expected benefits exceed the expected costs, (iii) states seek expansion until the marginal benefits of it equal their marginal costs, (iv) once expansion is fulfilled the costs of maintaining the status quo rise faster than the economic capacity to sustain it, and (v) if this disequilibrium is not resolved, then the system is changed reflecting the new status quo.

This change does not need to be, by necessity, violent. Although amidst World Wars, it could be argued that the United Kingdom retrenched gradually and never fought a hegemonic war against the US. Yet, given the various difficulties of retrenchment (vi) hegemonic transitions tend to be highly unstable, war between hegemon and challenger is the most likely outcome (Gilpin 1981: 197) and (vii) a declining, anxious hegemon is likely to trigger such war (Gilpin 1981: 239).

All in all, a world in hegemonic transition is supposed to be less peaceful and predictable at the level of great power politics. Yet, this situation might pose both opportunities and challenges of its own to minor states. First of all, in this account, (viii) the hegemon assumes the costs of maintaining the system while the challenger assumes the costs of confronting it, which (ix) *creates an opportunity for third parties to collect the spoils and catch up* (Gilpin 1981: 242). This can be read as good news for Brazil and other prospective rising powers. Also, hegemonic transitions do not feature a clear geographic delimitation of spheres of influence – such understandings are precisely at the core of the order that is being challenged (Gilpin 1981: 34). This has two consequences. On the one hand, (x) *peripheries will be open to the highest bidder, facilitating realignments and giving small states more leverage in negotiations*. On the

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other hand (xi) *both powers will try to strengthen relations with countries in the region*, a situation that might also lead to their increased military leverage (transfer of technology and weaponry) and even foster dynamics of balance within the region – think of the implicit alliances between Argentina and Britain, and Brazil and the United States during the early twentieth century, and the sub-systemic competitive dynamics between the two countries. Because of their fear and distrust of each other, (xii) *great powers will likely leave regional crises in the hands of regional powers*.

Probably the most unsettling prediction that a hegemonic transition holds for Latin America is what we might call an “instability-stability paradox.” While the locus of impending military conflict will be in the center and not the peripheries, the seeming autonomy of regional orders will ultimately depend on the result of the hegemonic dispute. So, while Latin American leaders might profit from frictions between China and the US, change at the level of great power politics can suddenly transform the fate of small states. This means bargains are made under conditions of high uncertainty (Gilpin 1981: 52), and (xiii) *despite high incentives to bargain and strike deals with the great powers in the short term, any form of alignment is a risky option in the long term*.

Conclusions

There are two ways in which scholars picture a world dominated by China and the US. One is a stable bipolar order, similar to that of the Cold War and the second half of the (short) twentieth century. The other is a hegemonic transition, similar to that between the United States and Great Britain and the more instable first half of the twentieth century. These images are transversal to IR paradigms. I argue that they best capture the universe of possibilities IR scholars from all persuasions have in mind. Each, in turn, holds contradictory predictions for the future of Latin American foreign policy.

Picturing the next decades under bipolarity entails more certainty but fewer opportunities for Latin American leaders. It means that Washington will probably assert its position in the region as its sphere of influence, be more able to detect defectors and become more severe in its response. It also means the leverage of Latin American states at the negotiating table will be reduced and their possibility to catch up in the economic, military, and technological realms will be limited. Finally, it might mean that specific Latin American contexts can become the theater of global tensions and yet local countries will be large and by denied protagonism and depend on great powers support. Nowadays, leaders like Maduro in Venezuela and Bolsonaro in Brazil seem to have this framework in mind.

The hegemonic transition framework paints a more promising picture for those willing to take the risk. Under this interpretation Beijing will not accept geographic delimitations to its expansion, opening the game for Latin American states who will in turn be able to exploit great power differences. This means Latin American states can link issues, and play the role of the protagonist in negotiations. It also opens the possibility to catch up. Yet, with power comes responsibility, and they will have to share the burden of the confrontation at the regional level. Moreover, siding with China or the US on specific issues entails a great risk, since the hegemonic crisis can be solved abruptly and decisively in either way. Leaders like Macri in Argentina and López Obrador in Mexico seem to be operating with this paradigm in mind.

The two ideal types presented here are theoretical extremes. Elements of one and the other will likely be present in the real world. Yet, foreign policy makers in Latin America are already implicitly using these scenarios to make their decisions. Consequently, Latin American foreign policies should be based on a lucid assessment of which of the two better represents the global trends taking place.

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Luis L. Schenoni is a Ph.D. candidate in Political Science at the University of Notre Dame with a concentration in international relations. His research focuses on state formation, foreign policy analysis, and IR theory and has been published in *Security Studies* and *Foreign Policy Analysis*, among other journals, and also featured in *The Washington Post* and the *New York Times*. In his dissertation he challenges the conventional wisdom in the state formation literature proposing that victory in nineteenth century wars was the main determinant of state capacity levels in Latin America, explaining the ranking of development in the region to our days.