

The British Empire versus the USA

A comparison between two great powers in their respective era of dominance

Word count: 15,868

Benoît Stas-Orban

Student number: 01402678

Supervisor: Dr Dries Lesage

A dissertation submitted to Ghent University in partial fulfilment of the requirements for the degree of
Master of Science in Political Science - International Politics.

Academic year: 2017- 2018

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List of abbreviations

CINC	-	Composite Index of National Capabilities
EU	-	European Union
GDP	-	Gross domestic product
GDPPC	-	GDP per capita
HST	-	Hegemonic stability theory
IR	-	International relations
IFIs	-	International financial institutions
NIEs	-	Newly industrialised economies
PRC	-	People's Republic of China
SOI	-	Sphere of influence
TNCs	-	Transnational corporations
UK	-	United Kingdom
UN	-	United Nations
UNCTAD	-	United Nations Council on Trade and Development
UNSC	-	United Nations Security Council
US /USA	-	United States of America
USSR	-	Union of Soviet Socialist Republics
WWI	-	World War I
WWII	-	World War II

Acknowledgements

I would first like to thank my dissertation advisor Dr Lesage of the Ghent Institute for International Studies at Ghent University. The door to Prof. Dr Lesage's office was always open whenever I ran into a trouble spot, needed recommendations or a had a question about my research or writing. He constantly allowed this dissertation to be my own work and steered me in the right direction whenever he thought I needed it.

I would also like to acknowledge Dr De Keersmaecker of the Ghent Institute for International Studies at Ghent University. Although she did not need to, she regularly took the time to answer some of my questions and drafts of several chapters, and I am gratefully indebted to her for her very valuable comments.

Finally, I must express my profound gratitude to my family and friends for providing me with unfailing support and continuous encouragement throughout my years of study and throughout the process of researching and writing this dissertation. This accomplishment would not have been possible without them. Thank you.

Benoît Stas-Orban

English abstract

This dissertation aims to answer the following question: what are the similarities and differences between the British Empire during the 1890s and the United States of America in the 1990s? Although the last decade of the twentieth century is popular among historic international relations scholars, the 1890s are often forgotten or neglected in favour of the 1870s. However, both decades witnessed years of economic boom and bust. Although both powers were in relative decline their power was unmatched. To answer the central question, three facets of the respective international system will be analysed and compared separately, in order to make the final overall assessment. In this dissertation, the following aspects of the international system are analysed and studied: power and the distribution of power among the dominant actors of the day, the global economic system and the hegemonic character of the British Empire and the United States of America.

The United States and the British Empire were hegemonic during their era of dominance because both powers were able to shape and maintain the essential rules that govern interstate relations and the global economic system. However, it's not only the hegemonic character that both powers share during the chosen decades. There are a surprising number of similarities and some important differences between the economic system and interstate relations of the 1890s and the 1990s.

Dutch abstract

Deze masterproef is geschreven om de volgende onderzoeksvraag: “Wat zijn de gelijkenissen en de verschillen tussen het Britse Rijk van de jaren 1890 en de Verenigde Staten van de jaren 1990? “ te beantwoorden. Terwijl het laatste decennium van de twintigste eeuw populair is bij politieke wetenschappers, worden de jaren 1890 vaak vergeten of genegeerd ten voordele van de jaren 1870. Dit is echter onterecht. Beide decennia hebben meer gelijkenissen dan je op het eerste zicht zou verwachten. Ze gekenmerkt worden gekenmerkt door jaren van economische voorspoed en jaren van economische crisis. Bovendien is dit niet de enige gelijkenis. De macht van de twee hegemonen was tijdens de jaren 1890 en 1990 ongeëvenaard, ook al was de macht van andere grootmachten snel aan het toenemen. Voordat de masterproef de centrale onderzoeksvraag beantwoordt en bestudeert, analyseert het proefschrift eerst drie verschillende aspecten van het internationale systeem apart. Dit om een antwoord te kunnen formuleren op de centrale vraag. Deze aspecten zijn: macht en de verdeling ervan in het internationale systeem, de wereld economie en het hegemonisch karakter van het Britse Rijk en de Verenigde Staten.

Tijdens hun periode van dominantie hadden de Verenigde Staten en het Britse Rijk de macht om de essentiële regels van de internationale politiek en de wereldeconomie aan te passen en te handhaven. Beide machten, waren hegemonisch in hun periode van dominantie. Er zijn ook een verassend aantal gelijkenissen tussen de gekozen decennia, maar enkele belangrijke verschillen mogen niet over het hoofd gezien worden.

Introduction

The second decennium of the twenty-first century is characterised by a fundamental shift in power among the great powers, however, a significant transformation of the international system is still to come. The Global Trends Report, published by the National Intelligence Council, warned that a major transformation could be imminent: “Between states, the post-Cold War, unipolar moment has passed and the post-1945 rules-based international order may be fading too” (2017, p. 6). While we’re preparing for the future, it’s important to look back and understand what characterised previous international systems. This dissertation will look at the USA and the British Empire in their respective era of dominance.

The era of British dominance is defined as the period between 1815 and 1914 for three reasons. Firstly, the post-Napoleonic nineteenth century can be seen as the golden age of the British Empire. Secondly, although some scholars argue that the nineteenth century was multipolar, many scholars describe the nineteenth century as the era of British hegemony (De Keersmaecker, 2017, p.7). Thirdly, the British Empire was in relative decline since the 1870s, however, it is the First World War that revealed and exacerbated the weakness of the British Empire (Lake, 2000, p. 128).

Defining the era of US dominance is much more contested, however, the period between 1945 and 2016 is seen as the era of US dominance for three reasons. Firstly, the end of the Second World War marks a fundamental shift in the US’ foreign policy. After the Japanese attack on Pearl Harbour, isolationism lost all its credibility and the US embarked on a quest to create a world after its own image and change it to better reflect its interests (Patman & Southgate, 2016, p. 224). Secondly, there is no consensus on the two fundamentally different world orders that characterised the post-WWII world. Although many scholars argue that the world was bipolar during the Cold War, some argue that the US was already hegemonic. However, the post-Cold War era is even more contested. Some scholars argue that it’s a unipolar moment, while others understand it as another era multipolarity. Thirdly, defining the era of US dominance as the period between 1945 and 2016

acknowledges the US National Intelligence Council's statement that the unipolar moment has ended. Although it's debatable whether or not the world witnessed a unipolar moment, the National Intelligence Council's acknowledgement is a symbolic end to an era that is hard to define.

Although it would be interesting to compare both eras of dominance, the period is simply too big to make a meaningful comparison in a master dissertation. However, instead of comparing the period 1815-1914 and 1945-2016 as a whole, this dissertation will compare two decades that have a lot in common, the 1890s and the 1990s. These decades have three main characteristics in common. The first similarity is that both powers were already in relative decline, which started for the British Empire in the 1870s and for the US during the 1970s (Lake, 2000, p. 128; Wallerstein, 2003, p. 13). A second similarity is that both decades started in a period of economic downturn. The beginning of the 1890s was shaped by the Long Depression, which started in 1873 and only ended in 1896, and the crisis of 1890. During the Long Depression business was dull and speculation took over the financial markets, creating even more economic uncertainty (Wirth, 1893). Just like the 1890s, the 1990s were a difficult economic decade for the world economy. By 1992 the US economy was hit by a sharp economic recession and throughout the decade several financial crises would hit different parts of the world. A third similarity is that both powers are seen as the dominant actor on the international stage. During the 1890s the British Empire was focused on expanding its empire in Africa, which is partly explained by the realist mindset of British politicians and the long recession that characterised the last three decades of the nineteenth century. Expanding the Empire was not only an important strategy to safeguard the UK's position on the international stage, it was also a way to relieve some domestic pressure, it created markets for British goods and guaranteed the supply of food and raw materials that British manufacturers needed. During the 1990s the former archenemy of the US collapsed and with the help of the international financial institutions it imposed severe reforms on the Russian Federation. Furthermore, the US was able to add many countries that previously belonged to the Russian sphere of influence to its own SOI.

The purpose of this dissertation is to compare several political & economic aspects of the British Empire and the USA in their respective era of dominance. Since this dissertation is written in partial fulfilment of the requirements for the degree of Master of Science in Political Science, the dissertation will have to exclude several important aspects of the international system from the comparison. Furthermore, this dissertation will not focus on comparing existing theoretic frameworks with one another, the transition debate or the semantic discussion focused on empire versus hegemony.

The academic debate dedicated to the comparison

Concepts without consensus: empire and hegemony

At the centre of the academic debate, dedicated to the comparison of nineteenth century British and twentieth century US dominance, are two contested concepts: empire and hegemony (Prys & Robel, 2001, pp. 250-254). According to Walter Bryce Gallie (1956, pp. 171-180), who first coined the term, essentially contested concepts are characterised by the following conditions: (I) they indicate some kind of valued achievement, (II) they are internally complex, (III) they include a reference to the respective contribution of its various elements, (IV) they are able to adapt to changing circumstances, (V) each party recognises that the used definition of the concept is contested by the definition used by other parties, (VI) they are derived from an original exemplar whose authority is acknowledged by all and (VII) all variations are probable or plausible.

Since both concepts meet all these criteria described by Gallie, it's possible to say that hegemony and empire are essentially contested concepts. However, this essentially contested character complicates the application or usage of both terms in the academic debate. Firstly, it allows individual scientists to attach different definitions and normative connotations to both terms, resulting in fundamentally different analyses of the international system. Secondly, since both concepts are multifaceted ones and share some of those facets, several authors have used empire and hegemony interchangeably.

Empire

Empire is an essentially contested concept since it meets all the criteria described by W. B. Gallie, resulting in a vast array of conflicting definitions that try to describe and define empire. In this chapter, a short comparison of three definitions is given before stating the definition used in this dissertation.

Michael W. Doyle defines Empire as (1986, p. 30): “The effective control, whether formal or informal, of a subordinated society by an imperial society.” Doyle’s definition of empire is specific, it includes both formal and informal control. However, the rest of his definition is rather vague. In contrast to Doyle, Johan Galtung defines empire as (1971, p. 81): “A dominance relation between collectivities, particularly between nations. It is a sophisticated type of dominance relation which cuts across nations, basing itself on a bridgehead which the centre in the centre nation establishes in the centre of the periphery nation, for the joint benefit of both.” Unlike Doyle, Galtung puts empire within a broader international context. The first characteristic of this international system is the existence of a ‘core’ and a ‘periphery’, which corresponds to the World-System theory that emerged around the same time as Galtung wrote his Structural Theory of Imperialism. The second characteristic of this international system is a hub-and-spoke structure. Another difference between both definitions is that Galtung gives empire a positive connotation, while Doyle doesn’t. This positive connotation is in sharp contrast to James’ and Nairn’s understanding of empire, who attach a negative connotation to the concept and define it as: “ empires extend relations of power across territorial spaces over which they have no prior or given legal sovereignty, and where, in one or more of the domains of economics, politics, and culture, they gain some measure of extensive hegemony over those spaces for the purpose of extracting or accruing value” (2006, p. xxiii). Furthermore, James’ and Nairn’s definition illustrates that empires come in a wide variety of incarnations. Some empires will only control a fraction or an aspect of a peripheral nation, while others will completely dominate and control the society of a subordinate society. A second important difference between this definition and others is that James and Nairn show how empire

and hegemony are complementary concepts. Although these three definitions are only the tip of the iceberg, they do illustrate the contested nature of empire.

In this dissertation empire is defined as power relations, whether formal or informal, between an imperial society in the centre and a subordinated society in the periphery, and where, the imperial society has established a stable hegemony in one or more of the domains of economics, politics, and culture, for the purpose of extracting or accruing value.

Hegemony

Hegemony, another essentially contested concept, also plays a crucial role in the debate. Depending on a scientist's understanding of hegemony, empire and hegemony can either be complementary or rivalling concepts. This chapter will look at how different scholars conceptualised hegemony in the Realist and Marxist tradition, before stating the definition used in this dissertation.

Realism is the oldest and one of the most important schools of thought in IR studies and understands the international system as anarchic (Gilpin, 1981; Jackson & Sørensen, 2013; Mearsheimer, 2006). However, there are huge differences between the different branches of realism and their conception of hegemony.

One of these branches is neorealism, a school of thought that understands hegemony in terms of an extreme asymmetry of material power (Jackson & Sørensen, 2013; Mearsheimer, 2006; Prys & Robel, 2011). Even within this branch of realist thought there is no consensus among scholars on the characteristics of hegemony. Offensive realist John Mearsheimer, understands hegemony as the ability of a state to successfully fend off any attack from a state or coalition of states. The desire of a state to be or become the most powerful in the system is natural and the result of the anarchic character of the international system. Unlike offensive realists, defensive realists argue that the pursuit of hegemony is foolhardy and a state should strive instead to gain an appropriate amount of power. Furthermore, if any state tries to become hegemonic, balancing will occur.

Another branch of realist thinking is hegemonic stability theory (HST), however, even within this school of thought, there is no consensus on what hegemony is. Robert Gilpin (1981) understands hegemony as a cyclical phenomenon and as the dominance of one state over the lesser states in the system in order to organise the political, territorial and economic relations in terms of their respective security and economic interests. Furthermore, Gilpin argues that the hegemon is responsible for security and is crucial in the establishment of a global economic system. Hegemons ought to provide global public goods. Keohane and Nye define hegemony as (as cited in Keohane, 1984, p. 35): “a situation in which one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so.” Just like Gilpin, Keohane and Nye believe that a hegemon is responsible for global public goods. However, there is an important difference between the two definitions. As long as the dominant power is not willing to take up its responsibility to provide a global public good, it’s not a hegemonic power. Just like Gilpin, Kindleberger sees hegemony as a cyclical phenomenon that is linked with a responsibility (Kindleberger, 1986, pp. 288-305). However, unlike the previous scholars, Kindleberger solely focuses on economic public goods. According to Kindleberger a hegemon is responsible for (I) maintaining a relatively open market during periods of economic downturn, (II) providing countercyclical long-term lending, (III) ensuring that there is a relatively stable system of exchange rates, (IV) ensuring coordination of macroeconomic policies and (V) acting as a lender of last resort.

Marxism is another important school of thought among IR scholars. Unlike realist theory, which is built upon the assumption of the existence of an anarchic international system, Marxist IR scholars see the world in terms of economic exploitation (Jackson & Sørensen, 2013).

One of the most recognisable Marxist schools of thought is the world-system theory, in which the core countries constantly reinforce their economic superiority over peripheral and semi-peripheral states (Jackson & Sørensen, 2013; Prys & Robel, 2011; Worth, 2015). Immanuel Wallerstein, who is considered to be the father of the world-system theory, understands hegemony as a cyclical

phenomenon and defines it as: “a situation wherein the products of a given core state are produced so efficiently that they are by and large competitive even in other core states, and therefore the given core state will be the primary beneficiary of a maximally free world market” (Wallerstein, 2011, p. 38). Wallerstein argues that the hegemon will pursue a strategy to liberalise the global economy in order to exploit its competitive advantage, however, once a state has become truly hegemonic it starts to decline.

Another significant branch of Marxist thought is the neo-Gramscian one, which finds its origin in the writings of Italian Marxist Antonio Gramsci (Bieler & Morton, 2006; Cox, 1993; Jackson & Sørensen, 2013; Prys & Robel, 2011; Worth, 2015). Gramsci understands hegemony in terms of a class struggle between the dominant class and the rest, where the dominant class seeks to rule the rest through consent. The transformation of the other classes into a historic block is crucial in order to have a period of stable rule and this is done by convincing these classes that their interests are the same as the objectives of the dominant class. Robert Cox translated Gramsci’s interpretation of hegemony, which is useful to study inter-societal relations of dominance, into a concept that can be used in IR studies (Bieler & Morton, 2006; Cox, 1993). Cox argues that in order to become hegemonic, a state should create and protect a world order which is universal in conception, an order which most other states could find compatible with their own interests (Cox, 1993, pp. 59-62). It’s important to note that this order is governed by consent, which is characterised by the acceptance of ideas and supported by material resources and institutions. However, neo-Gramscian scholars understand hegemony as something more than merely an order of states. This is well illustrated by the following statement by Cox on international hegemony (1993, p. 62): “It is a complex of international social relationships which connect the social classes of the different countries. World hegemony is describable as a social structure, an economic structure, and a political structure; and it cannot be simply one of these things but must be all three.” Because global hegemony is based on these three structures, it allows for the creation of a globally-conceived civil society.

In this dissertation, hegemony is perceived as a situation in which the dominant state is able and willing to shape and maintain the essential rules governing the global economy and interstate relations. Although this definition is similar to the one of Keohane and Nye, there are two important differences. The first difference is that this dissertation assumes that the hegemon's influence goes beyond just maintaining the essential rules of interstate relations, the hegemon is to some degree able to redraw and restructure the global economy and interstate relations to reflect its interests. A second difference is that this definition emphasises the hegemon's responsibility to interstate relations and the global economy, while Keohane and Nye solely focus on interstate relations. Although both aspects are to some degree connected, it's important to emphasise that the hegemon is both a political and economic leader on the stage of international relations.

Comparing the British Empire versus the USA

Emerging hegemonies

Becoming the hegemonic power within any given international system is never simple, however, both the British Empire and the USA succeeded in becoming the hegemonic state during their respective era of dominance¹. Although the respective eras in which they emerged as hegemonies are vastly different, they do share three important characteristics.

Firstly, both the British Empire and the USA became hegemonic after a prolonged period of war (O'Brien & Clesse, 2002, pp. 4-13). According to O'Brien, a prolonged armed conflict is crucial for any state with hegemonic ambitions. These lengthy military conflicts do not only change the international power structure, they also result in war-weariness and a desire for hierarchy and leadership, allowing the dominant power to become hegemonic. Otherwise, according to the

¹ It's important to note that not all international relations scholars agree whether or not the British Empire and the USA were hegemonic powers (De Keersmaeker, 2017). Within international relations theory, there are three popular perspectives on defining the power system of the nineteenth century. The first perspective understands the nineteenth century as a classic example of multipolarity and identifies five major powers. A second perspective sees the nineteenth century as a bipolar power competition between the British and Russian Empire. While a third perspective sees the nineteenth century as the period of British hegemony. Just like the hegemonic status of the British empire, the status of the USA during its period of dominance is contested among scholars.

balance of power theory, other leading states will try to balance any perceived threats of hegemony by forming alliances or through military build-up to neutralise this threat (De Keersmaecker, 2017, p. 140).

Secondly, both states were the dominant technological, political and economic innovator of their time, giving them a comparative advantage over their rivals (Allen, 2011; Kim & Kim, 2017). Two key innovations secured the UK's position as leading nation at the beginning of the nineteenth century. The first innovation that gave the UK a comparative advantage over its rivals is the Industrial Revolution (Kim & Kim, 2017, pp. 126-159). Although the Netherlands perfected the system of expansive reinvestment, which would play a crucial role in the British Industrial Revolution, the Dutch economic model was based on a commercial society. The Industrial Revolution, the result of a series of innovations in the British manufacturing process, resulted in a new regime of expansive reproduction. The combination of expansive reinvestment and expansive reproduction transformed British society into the first industrial one. This resulted in economic growth, allowing the British government to invest more in its military capacity, which is crucial in an era of vicious wars. The second innovation was creating an efficient tax collection regime, which allowed the state to spend a larger fraction of the national income on the army and the navy (Allen, 2011, pp. 28-29). The US, on the other hand, perfected the system of expansive reproduction by mainstreaming mass production and mass distribution, as a result of stimulating new technological innovations (Allen, 2011, pp. 78-83; Kim & Kim, 2017, pp. 235-236). Mass distribution was possible by the completion of the railroad network and resulted in the opening of department stores, chain stores and mail order. However, mass distribution wouldn't be possible without mass production. The US was able to improve the process of mass production as a consequence of technological and economic innovations that reduced per-unit production cost. The following innovations are considered to be among the most crucial in explaining the rise of the US economy: transfer of control of the labour process to management, the assembly line, better machinery, vertical and horizontal integration of companies to reduce per-unit production cost etc.

Thirdly, mercantilism and protectionist policies ruled the respective pre-hegemonic periods (O'Brien & Clesse, 2002; Allen, 2011, pp. 78-83). Before the Pax Britannica, mercantilist thought dominated economic and political thought. However, once the era of British dominance came to a close, liberal economic policies were exchanged for neo-mercantilist ones. A strong national economy is vital to generate the financial resources necessary to fund vital government expenditure. They incorrectly assumed that international trade is finite, or in other words, that trade is a zero-sum game. Although modern economists agree that a return to mercantilism would be detrimental to the global economy, they also recognise that protectionist measures could help countries to industrialise since protectionist barriers, like tariffs, protect infant industry from cheaper, foreign competition.

Established hegemonic powers

Although it's important to understand how a single state was able to become the hegemonic power of the day, studying the differences between the UK and the USA as mature hegemonies is much more interesting. Although both powers were committed to introduce free trade, there are some crucial differences between British and US policies. Furthermore, looking at the broader political strategy, both powers pursued a completely different strategy to maintain their hegemonic position.

According to hegemonic stability theorists, free trade is only able to flourish during an era of hegemonic dominance (O'Brien & Clesse, 2002; Kindleberger, 1986, pp. 288-305; Worth, 2015, pp. 46-50). The first era of free trade emerged as an important interlude between mercantilist policies at the beginning of the nineteenth century and the neo-mercantilist policies of the interwar period. The second era of free trade started after the Second World War with the establishment of the General Agreement on Tariffs and Trade and continues to this day. Both periods of free trade were led by the hegemon for the benefit of the hegemon's power, economy and prosperity. The first similarity between both eras of free trade is the dominance of the hegemon's currency in international trade, however, the pound sterling was never as dominant during the nineteenth century as the US dollar was in the post-war period (Chinn & Frankel, 2008; O'Brien & Clesse, 2002). A second similarity is the importance and influence of the Bank of England and the Federal Reserve System. This gave

the hegemon a crucial economic advantage and allowed for more budgetary flexibility and an unrivalled source of soft power during their respective eras of dominance. However, there is a crucial difference between both eras of free trade. The United States never followed the idealised unilateral free trade strategy of the British Empire, giving the US more leverage during negotiations to achieve its objectives.

Although the British Empire and the USA share some characteristics during their respective periods of mature hegemony, there are two significant differences between these powers (O'Brien & Clesse, 2002). A first difference can be found in the realm of global governance. Unlike the US who has built a rigid and costly alliance system with partners around the world, the British Empire avoided being trapped in a system of rigid alliances. Instead, the British Empire pursued a strategy of temporary coalitions to fight a common enemy. However, it's interesting to note that in the latter part of the US' era of dominance, the US started to prefer using temporary coalitions of the willing, instead of trying to convince its allies to participate in military campaigns abroad (Hallams, 2010; O'Brien & Clesse, 2002). A second difference is the result of a series of technological innovations during the twentieth century, namely nuclear weapons. After the bombing of Hiroshima and Nagasaki in 1945, the power and danger of nuclear weapons became clear to all. Since everybody hopes that these infamous weapons will never be used again, they are the most effective system of deterrence in history.

Research design

Research question

As the status quaestionis illustrates, the international system of the nineteenth century and twentieth century have several important similarities and differences. However, comparing both centuries in a master dissertation is not feasible. Instead, this dissertation is going to compare the 1890s with the 1990s. Both periods are characterised by relative economic decline, while the power of the hegemon appears to be unrivalled. This master dissertation will try to answer the following research question:

What are the similarities and differences between the British Empire during the 1890s and the United States of America in the 1990s?

In order to answer this central question, this dissertation will look at three aspects of the international system. The first aspect is power and how much power both hegemonic powers had during the 1890s and 1990s respectively and how power was distributed among the major powers of the day. The second aspect concerns the global economy and will look at how the global economy was organised and what role the hegemon played. The third and final aspect concerns the hegemonic status of the British Empire and the USA.

Relevance

At the moment there is an interesting academic debate among IR scholars on the nature of US hegemony and whether or not it's a new kind of hegemony. Furthermore, comparing the Pax Britannica and the Pax Americana is a popular exercise among IR scholars. Although this dissertation won't look at what kind of hegemon the US is, it will try to contribute something to the long tradition of comparing the British Empire with the USA. Unlike most comparative studies concerning these two powers, this dissertation will focus on two decades instead of comparing both eras of dominance. Furthermore, this dissertation will look at the 1890s instead of the more popular 1870s.

Methodology

This dissertation is primarily based on secondary literature, however, in the chapters concerning power, the datasets of the Maddison Project and the Correlates of War Project are used to support and illustrate the findings in this paper. Furthermore, in the chapter concerning the distribution of power, data from the Correlates of War Project in combination with the secondary literature help this dissertation to determine which countries can be classified as great powers and which great powers were polar powers in the chosen decades. However, there was not always sufficient data available for the nineteenth century and the Correlates of War Project does not take overseas territories into account.

To overcome the limitations of this dataset, some rough estimates were calculated to fill in the gaps by using a linear model of economic and population growth. Furthermore, the Maddison Project uses modern territorial boundaries for its estimates. In this dissertation, there are two categories of rough estimates. The first category concerns the German Empire and Austria-Hungary. Since the Maddison Project uses contemporary territorial boundaries, this dissertation used a historic atlas and historic population data to recreate the GDP of these multiethnic empires. For example, to calculate the GDP of the territory of the German Empire that is part of present-day Poland, historic population data for this part of Germany is multiplied with the GDPPC for Poland. A second category is the international empires. Although the Madison Project has data for Ireland and India for 1890 and 1900, many colonies aren't included in the dataset. When this dissertation calculated the GDP for the British Empire etc. only the colonies with data for these years or when data could be estimated by using a linear model of population and economic growth were included.

These interventions create rough estimates, which is sufficient for this comparison of the British Empire and the USA. However, these interventions are important, since they give a more accurate overall image of the multinational empires and absorb unnecessary volatility as the result of missing data. Furthermore, to compare data from the 1890s and 1990s this dissertation recalculates all

estimates into percentages of the hegemon. Using a percentage of the dominant state contextualises the data used, making it easier to interpret them correctly.

Although using the CINC-score is problematic in the chapter on the distribution of power, there is no accurate dataset available that incorporates the colonies and dominions with the data of the mother country. A second problem with the CINC-score is that it is made up of six equal indicators, however, population was no longer the determining pillar of a country's power during the nineteenth and twentieth century. For these reasons, the data of the Correlates of War project are used together with secondary literature.

Structure of the dissertation

This dissertation is build upon the analysis of the individual facets of the international system, before moving on to an overall comparison of both hegemon in their respective decades.

The first aspect that will be compared is power. However, power is an essentially contested concept and has two significant elements. The first element that will be compared are the material resources that give states power. To analyse the power of the British Empire and the USA in their respective eras of dominance, material resources are used instead of ideational ones, since they can be measured by indicators like GDP, military expenditure etc. The second element of power that will be compared is the distribution of power among states. The distribution of power will be analysed through the theoretic framework of polarity. Although polarity is a twentieth-century concept, it's an interesting way to study, order and understand the distribution of power within the international system at any given time.

The second aspect that will be compared are the respective economic systems. This dissertation will look at both systems separately, before making a brief comparison between both eras. Before comparing the economic relations between the hegemon and its colonies, its sphere of influence and the other great powers, the overall global economic system will be analysed.

The third aspect this dissertation will analyse is the hegemonic character of the British Empire and the USA. To what extent were the British Empire and the USA hegemonic powers? However, since hegemony can't be assessed by looking at acute events, this dissertation will broaden its scope and look at the hegemon's era of dominance up to the end of the studied decades. It's important to analyse this facet of the international system, since it is one of the most contentious aspects in the current academic debate.

A comparison: 19th century Britain versus 20th century USA

The power of the British Empire vs the USA

Power, like hegemony or empire, is an essentially contested concept. However, this dissertation understands power as the ability of a state to influence and shape the decisions of other states to get the desired outcome (Barnett & Duvall, 2014; Mearsheimer, 2006, pp. 71-88; Nye, 2009, p. 160). This ability, to influence and shape decisions of other states, is the result of material and ideational resources disposable to the state in question. An example of the first would be the Opium Wars, an Anglo-Chinese conflict to retain and expand access to the Chinese economy, while the Marshall plan is an example of the latter (Nye, 2004; O'Brien, 2010, pp. 198-199).

Although it's impossible to measure power, social scientists can measure the material resources that give states power. This dissertation will use and compare three different indicators: gross domestic product (GDP), military expenditure and the composite index of national capabilities (CINC). It chooses GDP as an indicator of a country's economic size since it's ideal for cross-country comparison and shows the overall growth or decline of a country's economy over time. To measure the military capabilities of a state, military expenditure and the CINC-score are used. This dissertation prefers military expenditure over military personnel as an indicator since both eras of hegemony are characterised by rapid technological innovation, making it crucial to invest in new military technology since a more technologically advanced army will have a significant advantage over its larger and technologically less advanced rival. The last indicator is the CINC-score. This number represents a state's share of the overall material capabilities in the world (Enterline & Greig, 2017, p. 4). This score is made up of the following capabilities: iron and steel production, military expenditure, military personnel, energy consumption, total population and urban population.

The British Empire

The last decade of the nineteenth century was characterised by hegemonic rivalry, territorial expansion and the relative decline of Britain's economy (Wohlforth, 1999, pp. 20-23). These three elements are crucial to understand the power of the British Empire during the 1890s.

The lack of an academic consensus on the hegemonic status of the British Empire is largely due to the hegemonic rivalry between the British Empire and the Russian Empire that characterises the early nineteenth century and the hegemonic rivalry between the British Empire and the German Empire around the turn of the twentieth century. The British Empire was the dominant commercial and naval power at the time, however, it was never a great military land power (Brooks & Wohlforth, 2002, p. 23; De Keersmaecker, 2017, pp. 88-95; Wohlforth, 1999, pp. 26–28). Although the British Empire was never a major European military land power, it did have a powerful army to conquer and control its overseas colonies. Some political scientists even classify the British Empire as a major Asian military land power. Although the British army remained relatively small throughout the Pax Britannica, the British Empire was able to use the Indian army as a striking force outside the Indian subcontinent. However, the British Empire only used the Indian army on three occasions in Europe during its era of dominance: the Crimean War, the Balkan crisis of the 1870s and World War I. However, even with the Indian army the British land component was not powerful enough to control great military land powers like France or Russia. As a result, Britain was never able to perform the conflict-dampening role that a hegemon can play. This asymmetry in power can largely be explained by the geographic location of the UK. Island nations, like the UK, tend to emphasise naval power over land power since they are 'protected' by a natural boundary (Enterline & Greig, 2017, p. 4).

It's not only geography that determined the power of the British Empire during the last decade of the nineteenth century. Studying British power during the 1890s through the French discourse of power gives us another valuable insight. The French discourse understands the importance of material and military capabilities, however, it also acknowledges that military power has to be

supported by a strong economic basis (De Keersmaeker, 2017, pp. 176-177). As table 1 illustrates, the economy of the British empire as a whole remained the largest in the world. However, the relation between the size of the economy of the British Empire and its military expenditure is complicated. Although a resolution of the House of Commons from 1862 stated that dominions were responsible for their own internal order and security and ought to assist in their own external defence, in 1887 they continued to rely heavily on the UK for their external defence (Hall, 2015, pp. 101-103). During the Imperial Conference of 1887, only the Australian Colonies were willing to contribute to the upkeep of the Royal Navy. Canada on the other hand only wanted to be responsible for its land defences and believed that the UK was responsible for its naval defences. As this example from 1887 illustrates, Britain's economy was crucial for funding the military expenses of the Empire. For this reason, this dissertation will look at the size of the British economy instead of looking at the economic size of the British Empire. Furthermore, the Correlates of War project does not include data for colonies, dominions or other forms of colonial territories. Although excluding the overseas territories underestimates the power of the Empire, it's the best data available at the moment.

Table 1: GDP as Percentage of Hegemon

Country	1860	1870	1880	1890	1900
Austria-Hungary	15	16	18	20	23
French Empire	38	36	37	35	37
German Empire	34	38	41	41	55
Russian Empire	40	43	40	41	55
British Empire	100	100	100	100	100
United States	29	36	52	58	74

source: Maddison Project Database (Bolt, Inklaar, de Jong & Van Zanden, 2018).

note 1: Maddison's estimates are based on a states modern territory and can be found in appendix 1.

note 2: During the nineteenth century borders were changing quite frequently. To get the most accurate number possible this paper tries to define the actual territories by using the Atlas of World History (O'Brien, 2010).

note 3: GDP of the Empires is a rough estimate since many overseas territories or subnational entities that will become independent in the twentieth century. There is no data available for the period 1860-1900.

Looking at the economic size of Britain's economy, as illustrated by table 2, a different story emerges. By 1890 the US' economy was already larger than the British one and by 1900 the German economy had become the second largest in the world. Furthermore, by 1900 the Russian economy was roughly the same size as the British one. Although the US pursued an isolationist foreign policy, Germany and Russia were both actively involved in expanding the size of their empire and actively tried to alter the balance of power within Europe. When combining technological advancement with economic size, only Germany and the USA were able to compete with the British Empire. However, the importance of technological advancement goes beyond the military realm. Technological advancement was crucial for a country since it fuelled economic growth and made a country's economy more competitive.

Table 2: GDP as Percentage of the Hegemon

Country	1860	1870	1880	1890	1900
Austria-Hungary	35	33	37	43	45
France	70	60	61	58	60
Germany	72	73	79	94	102
Russia	83	83	74	77	99
United Kingdom	100	100	100	100	100
United States	66	76	110	122	148

source: Maddison Project Database (Bolt, Inklaar, de Jong & Van Zanden, 2018).

note 1: Maddison's estimates are based on a states modern territory and can be found in appendix 1.

note 2: During the nineteenth century borders were changing quite frequently. To get the most accurate number possible this paper tries to define the actual territories by using the Atlas of World History (O'Brien, 2010).

note 3: GDP of the Empires is a rough estimate since many overseas territories or subnational entities that will become independent in the twentieth century. There is no data available for the period 1860-1900.

Military expenditure is an interesting indicator of power, however, it's useless on its own. As the data for 1870 and 1900 in table 3 illustrate, military expenditure skyrocketed during times of military conflict. During the Franco-Prussian war Germany and France spend significantly more than the other powers in the system and during the Second Boer Wars, the UK significantly outspent all second-tier powers. However, military expenditure is a helpful indicator to highlight trends over a longer period of time. One of the most remarkable trends is that second-tier powers tend to spend more on their military than the UK (Brooks & Wohlforth, 2002). Furthermore, throughout the nineteenth century, the US was able to keep its military expenditure relatively low. This as a result of the non-interventionist foreign policy it pursued.

Table 3: Military Expenditure as Percentage of the Hegemon

Country	1860	1870	1880	1890	1900
Austria-Hungary	42	45	48	43	14
France	103	297	153	124	34
Germany	18	216	90	127	33
Russia	75	100	142	102	36
United Kingdom	100	100	100	100	100
United States	28	66	53	50	35

source: The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note: Data can be found in appendix 3.

The other indicator used in this dissertation to measure a country's power is the CINC-score, which is a composite index and reflects all material resources that are available to a state as a percentage of all material resources available in the system. This makes the CINC-score, found in table 4 as a percentage of the hegemon, the ideal index to compare the power of the hegemon with second-tier powers. As one expects the hegemon has the most resources available and although the US overtook Britain's economy in the early 1870s, it's only by 1900 that it has more material resources at its disposal than the UK. However, the second-tier powers that were actively seeking a hegemonic status had significantly fewer material resources than the UK throughout its entire period of dominance.

Table 4: CINC-score as Percentage of the Hegemon

Country	1860	1870	1880	1890	1900
Austria-Hungary	18	18	20	26	24
France	44	53	50	53	42
Germany	19	44	48	70	74
Russia	32	34	48	53	62
United Kingdom	100	100	100	100	100
United States	28	41	57	92	106

source: The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note 1: Data can be found in appendix 5.

note 2: COW only takes data from the British Isles into account. By excluding data from the colonial territories it underestimates the power of the French and British Empire.

The USA

The USA is the first hegemon to be both a great commercial, naval and military land power and the 1990s are the belle époque of US hegemony (Brooks & Wohlforth, 2002, p. 23). The last decade of the twentieth century is a unique one since the only polar power that was able to provide an alternative to the US-lead world collapsed. However, during the early twenty-first century, another polar power emerged and began to offer an alternative to the US-lead world.

Unlike the nineteenth century, the era of US hegemony is characterised by a technological divergence between the USA and its closest rivals (Brooks & Wohlforth, 2015, pp. 33-34). Making technological development as important as economic growth for rising power like the PRC. The technological divergence resulted in highly effective and precise military technology that is incredibly expensive. As table 5 illustrates, the US systematically spent more than any other country on its military, making it hard to catch up for emerging powers.

Table 5: Military Expenditure as Percentage of the Hegemon

Country	1970	1980	1990	2000	2010
China	31	20	2	14	11
European Union	21	70	54	51	38
India	2	3	3	5	4
Japan	2	6	10	15	8
USSR/ Russia	99	140	44	17	6
United States	100	100	100	100	100

source: The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note 1: Data can be found in appendix 4.

note 2: For the years 1970 & 1980 the data for Germany represent the military expenditure of the German Federal Republic.

note 3: The European Union is used to refer to the EU and her predecessors.

As table 6 indicates, the US economy has been in relative decline since the 1970s and by 1990 the US economy was no longer the biggest in the world. The economy of the European Union as a whole was larger than the US economy in 1990, however, during the 1990s the US economy grew faster than the economy of the EU and by 2000 both economies were roughly the same size. However, the EU's status as an economic superpower did not pose a threat to the hegemon. Although the EU used its economic size as a source of power, the EU was primarily an economic union with a significant soft and normative power. However, its integration was too limited and its armies too fragmented to challenge the hegemon's power. Furthermore, all EU member states are US allies and the increasing material resources disposable to its allies strengthened US hegemony during the 1990s. There were some crucial economic changes during the 1990s. After the dissolution of the Soviet Union in 1991, the Russian economy completely collapsed, while China's economy started to take off.

Table 6: GDP as Percentage of the Hegemon

Country	1970	1980	1990	2000	2010
China	19	22	29	41	83
European Union	76	95	105	100	110
India	13	13	16	19	35
Japan	32	37	39	32	29
USSR/ Russia	59	54	46	15	21
United States	100	100	100	100	100

source: Maddison Project Database (Bolt, Inklaar, de Jong & Van Zanden, 2018).

note 1: Maddison's estimates are based on a state's modern territory. Data can be found in appendix 2.

note 2: The European Union is used to refer to the EU and her predecessors.

The CINC-score illustrated in table 7, paints a different picture of the 1990s. However, there is one country that performs uniform across the three indicators: Russia. During the 1990s the Russian CINC-score collapsed and the decline in Russian power can also be seen in the other indicators. During the 1990s the former rival of the US was no longer a threat to the hegemon and its power. However, unlike Russia, the CINC-score of the PRC exponentially increased during the 1990s. By 2000, the PRC even had more material capabilities at its disposal than the US. However, as table 6 indicates, the US spent a lot more on its military capabilities than the PRC, indicating that the US remained significantly more powerful than the PRC. Unlike the PRC, the EU's CINC-score further decreased during the 1990s, indicating that although the EU is an economic superpower, its power as a union of separate states remains rather limited.

Table 7: Composite Index of National Capabilities (CINC) score as Percentage of the Hegemon

Country	1970	1980	1990	2000	2010
China	62	90	79	114	136
European Union	53	87	87	85	74
India	29	39	42	48	54
Japan	30	40	36	35	25
USSR/ Russia	95	127	92	36	27
United States	100	100	100	100	100

source: The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note 1: Data can be found in appendix 6.

note 2: For the years 1970 & 1980 the data for Germany represent the military expenditure of the German Federal Republic.

note 3: The European Union is used to refer to the EU and her predecessors.

The British Empire versus the USA

During the chosen decades both hegemonic powers faced a shift of power in the international system. However, as a result of external circumstances that were beyond their control, both powers remained the dominant actor on the stage of international politics.

While the economy of the UK was in relative decline during the last decade of the twentieth century, the economy of the British Empire remained the largest in the world. However, it was the economy of the British Isles that had to bear the burden of financing the military and the Empire's foreign policy. Although the US went through a period of relative decline from the 1970s onwards, during the 1990s it was able to regain some of its former glory and became once again the largest economy in the world. During the chosen decades both powers were no longer the unrivalled, dominant actor of the global economy.

A similar evolution happened with the overall distribution of material resources of power among the great powers of the day. However, there is one major difference between the British Empire and the USA during the 1890s and 1990s respectively. The US had the largest military budget in the world and systematically outspent its rivals, strengthening the US position as the most potent military nation on earth. During the nineteenth century, military expenditure was much more linked to military conflicts and the UK was often outspent by its continental rivals. In 1890 the UK was outspent by France, Germany and Russia, however, by 1900 the roles were reversed and the UK significantly outspent them all. However, this was largely due to the many military conflicts the UK was involved in around the turn of the century.

The distribution of power within the international system

Studying the distribution of power within the international system is closely linked to two important theoretic frameworks in IR studies: polarity and the balance of power. Although both frameworks can provide us with valuable insights into the power politics of the 1890s and the 1990s, this dissertation will focus on polarity.

Polarity is a relatively new concept in IR theory, appearing for the first time after WWII (De Keersmaeker, 2017, pp. 11-46). In this dissertation polarity is understood in the hierarchical tradition, or in other words, polarity is determined by the number of polar powers and is unaffected by the existence of second-tier great powers.

Operationalising concepts like polar power and a great power is contentious, however, it has to be done. In this dissertation a great power is seen as a state that has a CINC-score above five percent, CINC-scores can be found in appendix five and six. While a polar power is operationalised as a great power that has at least seventy-five percent of the material capabilities of the state with the highest CINC-score in the system. The CINC-score is used, because it's less prone to unnecessary volatility as a result of a short-term evolution than other indicators. Furthermore, by setting a threshold for a great power this dissertation steps into the footsteps of Modelski and Thompson, while setting an adapted version of Mansfield's threshold for a polar power (De Keersmaeker, 2017, pp. 27-37; Mansfield, 1993, pp. 111-114). This dissertation chooses the principle of Mansfield and opted to increase the threshold for a polar power from fifty percent to seventy-five percent. It increases Mansfield's threshold because, Snyder and Diesing argue that in a multipolar system there are several great powers with roughly equal military capabilities. However, it would be absurd to classify a great power that has only fifty percent of the material capabilities of the dominant state at its disposal, as roughly equal in power. Furthermore, by raising the threshold to seventy-five percent, this dissertation's threshold is just below the threshold used by power transition theorists, who set their threshold around eighty percent (De Keersmaeker, 2017, pp. 27-34). Although these quantitative indicators could be sufficient to study polarity during some eras, it would give a distorted

image in our chosen decades. For this reason, this dissertation will combine the CINC-score with secondary literature to exclude or include any power that meets or fails to meet our thresholds.

The British Empire

Studying polarity in the nineteenth century is difficult since polarity is a twentieth century concept and it's only during the nineteenth century that the international state system, that we know today, started to spread around the world (De Keersmaeker, 2017, pp. 67-110). Some scholars understand the nineteenth century as multipolar, while others argue that it is bipolar or characterised by British hegemony. For these reasons, studying polarity during the 1890s is contested and difficult.

Traditionally the UK, France, Germany, Austria-Hungary, Russia, Japan, Italy and the USA are considered to be the great powers of the 1890s (De Keersmaeker, 2017, pp. 67-110). However, as appendix five illustrates, Austria-Hungary, Italy and Japan don't meet our minimum threshold, as a result, this dissertation does not recognise them as great powers. Furthermore, China has a CINC-score of fifteen percent and only Organski and Kugler recognise it as a peripheral great power. In this dissertation China is not recognised as a great power either, since its CINC-score is largely the result of its enormous population and during the second-half of the nineteenth century the country was plagued by internal instability, descended into a prolonged economic depression and lost its sphere of influence to the European Empires (Von Glahn, 2016).

As table eight illustrates, there are only two great powers that could be considered polar powers according to our threshold: the British Empire and the USA. The importance of the US can't be denied and during the 1890s both powers had roughly equal material capabilities, however, no serious political scientist would classify the US as a polar power during the last decade of the nineteenth century. During the 1890s the US only started to acquire colonies in the Pacific, Caribbean and Central America (De Keersmaeker, 2017, pp. 86-88). Furthermore, the US was geographically isolated, had a limited role in South America and continued to pursue an isolationist foreign policy. For these reasons, the USA is classified as a rising power instead of a polar power, as a result, the last decade of the nineteenth century was characterised by unipolarity.

Table 8: CINC-score as percentage of the state with the most capabilities

Country	1860	1870	1880	1890	1900
France	44	53	50	53	40
Germany	19	44	48	70	70
Russia	32	34	48	53	58
United Kingdom	100	100	100	100	94
United States	28	41	57	92	100

source: The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note 1: Data can be found in appendix 5.

The USA

The last decade of the twentieth century is a fascinating decade for many IR scholars, while some argue that it was a unique interlude of unipolarity, others disagree. In this discussion, one problem resurfaces once more, the difference between numerical and hierarchical interpretations of polarity (De Keersmaeker, 2017, pp. 111-180). Furthermore, there is the issue of the EU. In this dissertation, the EU is considered to be an actor on the stage of international politics. In *The Paradox of American Power: Why the world's only superpower can't go it alone* Nye argues that military prowess is no longer the primary pillar upon which the power of a country rests, instead economic power has become the vital pillar to determine a country's power on the international stage (2002, pp. 4-8). Furthermore, McKeown argues that countries with a large consumer market have enormous power. The threat of cutting a particular country's access to one's own market off, while allowing other countries continued access, is a "potent and historically relevant weapon of economic power" (as cited in Keohane, 1984, p. 33). Or in other words, it does not matter that the EU lacked significant military or foreign policy integration in the 1990s, its successful economic integration makes it powerful enough to be a great power or even a polar power.

The 1990s were a decade of change, this is also reflected in the polarity of the world. During this decade there were six great powers: the PRC, the EU, India, Japan, the Russian Federation and the USA. However, as table nine illustrates, material capabilities were not evenly distributed among these great powers. Furthermore, the distribution of material resources dramatically shifted over the course of ten years.

Table 9: CINC-score as percentage of the state with the most capabilities

Country	1970	1980	1990	2000	2010
China	62	90	79	100	100
European Union	53	87	87	75	55
India	29	39	42	42	40
Japan	30	40	36	31	18
USSR/ Russia	95	127	92	32	20
United States	100	100	100	88	74

source: The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note 1: Data can be found in appendix 6.

The last decade of the twentieth century was an abrupt change from the previous 50 years, suddenly the US was the only military superpower. However, there were other polar powers in the 1990s. As table nine illustrates, in 1990 there were four great powers that had roughly the same proportion of material capabilities at their disposal: the PRC, the EU, the USSR and the US. However, in 1991 the USSR collapsed and what followed was a decade of political and economic chaos for its successor the Russian Federation and by the end of the decade, it was no longer a polar power. The PRC on the other hand, slowly emerged as a polar power during the 1990s. At the beginning of the decade, the Chinese CINC-score was primarily supported by its enormous population. For this reason, the PRC is not recognised as a polar power in 1990 since population was reduced to an indirect source of power. However, since the Chinese economy was able to take off during the last decade of the twentieth century, the PRC was able to significantly spent more on its military. Furthermore, during the 1990s the PRC became one of the most important producers of iron and steel. It's enormous population, increased military budget and larger share of the world's iron and steel production gave

the PRC by 2000 more material resources at its disposal than the US. For these reasons, the PRC is considered to be a polar power by the turn of the century.

The 1990s are characterised by tripolarity. However, throughout the decade the polar powers' constellation changed from the EU-US-USSR triad to the EU-PRC-US triumvirate. However, one must acknowledge that during the 1990s the world became military unipolar with the US as the unrivalled military power.

The British Empire versus the USA

Although the British Empire and the US had a lot in common regarding the material resources at their disposal during the chosen decades, the same cannot be said about the distribution of power during the 1890s and 1990s respectively.

During the last decade of the nineteenth century, the world was unipolar with the British Empire as the sole polar power in the system. However, if it wasn't for the US' preference for isolationism the world would have been bipolar. While the international system during the late-Victorian era was characterised by stable unipolarity, the distribution of power shifted dramatically during the 1990s. Once the USSR collapsed in 1991 the polar powers' constellation changed, at the end of the decade the US, EU and PRC became the polar powers. However, one must take into account that after fifty years of military bipolarity, the world became military unipolar centred around the US.

Economic relations: The British Empire vs the USA

The British Empire

The last decade of the nineteenth century started on the wrong note, embodied by the collapse of the money markets in 1890 (Wirth, 1893). However, the crisis of 1890 was part of a prolonged era of global economic recession, known today as the Long Depression. The Long Depression had two important consequences for the global economy. Firstly, neo-mercantilist thought was on the rise and challenged the free-trade policies of the mid-nineteenth century (Magnusson, 2015, p. 21). Secondly, imperialism came back in vogue (Gallagher & Robinson, 1953; Hall, 2015, p. 54).

According to Kozul-Wright, director of the globalisation and development strategies division in the UNCTAD, the global economic system of the late-Victorian and Edwardian era was unprecedented (as cited in Dicken, 1998, pp. 1-23). It was a system build upon an open regulatory framework, unsupervised short- and long-term capital movements, limited political influence over the allocation of resources and unhampered transfer of profits. This was possible as a result of a broad adherence to the gold standard, which resulted in stable exchange rates that facilitated international trade and foreign investment. Furthermore, citizenship was freely granted to immigrants and the migration of labour was unprecedented. However, this form of economic integration is classified by economic scholars as shallow, since its primarily driven by trade between firms and international movements of capital (Dicken, 1998, p. 5; UNCTAD, 1993, p. 113).

Throughout the nineteenth century, Britain was the only large-scale foreign investor in areas that did not belong to any European formal empire, London was the financial capital of the world and the pound sterling was the dominant currency of the day (Barkin, 2003, pp. 67-91; Chinn & Frankel, 2008). Throughout the 1890s the total income from foreign investments exceeded the total income from international financial services, strengthening the position of British capital and the importance of London as the financial heart of the global economy.

It's also interesting to note that the de facto network of multilateral, non-discriminatory trade arrangements emerged from the bilateral treaties among the leading trading nations of the Victorian era, without a multilateral conference or institution to underpin it all (World Trade Organisation, 2007, pp. 35-36). However, the lack of an overarching international conference or institution became an enormous problem in the late-Victorian era, since the initial trade treaties of the early- and mid-Victorian era came due to renewal in a changed political and economic environment. So in the last decade of the nineteenth century, trade barriers went up in Europe with the exception of Britain, Belgium and some other smaller economies (Coolsaet, 2014, p. 660; Dicken, 1998, pp. 1-23; World Trade Organisation, 2007, p. 37-38). The increasing protectionist sentiment was offset by a broad adherence to the gold standard and reduced transportation costs. As a result, international trade continued to increase during the 1890s.

Relations with colonies

The late Victorian era was characterised by a spectacular expansion of the empire, largely as a result of the Long Depression and the need to secure raw materials and market access for British manufactures (Akita, 2002, pp. 48-55; Gallagher & Robinson, 1953; Hall, 2015, p. 54). The shift from mid-Victorian 'indifference' to late-Victorian 'enthusiasm' for empire can be attributed to the fear of British politicians and entrepreneurs that the British export markets would be steadily restricted. It's interesting to note that the two great powers that were least transformed by the Second Industrial Revolution seized the most land in Africa (Akita, 2002, pp. 77-80). Furthermore, as tariffs went up, so did trade within the European Empires (World Trade Organisation, 2007, p. 38). As a result of falling transportation costs, rapid population growth, migration and increased foreign investment, colonies became more valuable for European manufacturers as a source of raw materials and as a market for their manufactured goods.

The British Empire's trade policies started to diverge during the second-half of the nineteenth century (Adam & Mace, 1933; Glickman, 1947; Hall, 2015, p. 35; Worth, 2015, pp. 35-37). While the UK remained committed to free trade, the autonomous dominions started to use their newly

granted powers to raise tariffs to protect their economy. In the 1890s the autonomous colony of Canada led the way in establishing the system of imperial preference. In 1897 the Canadian government decided to reduce tariff rates for suppliers from within the empire while maintaining the higher tariffs for suppliers from outside the British Empire. The other dominions of the empire followed suit and asked the UK to set some preferential tariffs for their products too, however, the UK would only exchange its free trade ideology for the system of imperial preference after WWI.

Relations with its sphere of influence

The British Empire had not only developed a vast formal empire, it also created an equally impressive informal empire. During the late-Victorian era, the informal empire covered three key territories, South-America, the Middle East and China. The British elites transformed these seemingly independent regions into satellite economies, which provided Britain with raw materials and food and which became markets for their manufactured goods.

In the early nineteenth century, Britain sought to exploit the colonial revolutions in Latin-America and break the Spanish trade monopoly. The UK achieved these goals by recognising Argentina, Mexico and Colombia by signing commercial treaties with them (Gallagher & Robinson, 1953; Barkin, 2003, pp. 67-92). Throughout the nineteenth century, Britain was able to further strengthen its economic power in these newly independent countries by building railways. Generous concessions from the local government encouraged British capital to invest in these regions and many railways were built, financed and operated by British companies. The more cooperative local governments were willing to implement British demands, the more investments they attracted. For local elites, it was in their financial interest to become a puppet of London.

A similar method was used in the Middle East, namely imposing free trade treaties and treaties of friendship upon weaker states (Gallagher & Robinson, 1953). Furthermore, the UK often used its sphere of influence to put pressure on other great powers. In the second part of the nineteenth century, Britain was unable to force the Russian Empire, one of the largest grain suppliers to the Empire, to reduce its tariffs. As a result, the British encouraged grain production in the Ottoman

Empire after the Turkish signed trade and friendship treaties in 1838 and 1861. Just like the South-American countries, the Ottoman Empire was turned into a producer of raw materials and food for the British economy, while becoming a market for British manufacturers.

London used a different tactic to integrate China into its vast informal empire: gunboat diplomacy. Although London profited from the Opium Wars by acquiring Hong Kong and establishing five treaty ports for British trade, it did not succeed in its primary goal of integrating the Chinese economy into the European trading system (Akita, 2002, pp. 45-48; Gallagher & Robinson, 1953). By the late-Victorian era, Chinese integration remained very shallow and limited. The limited integration came at a high cost. During the last decades of the nineteenth century, the British government had to intervene and protect the regime in Peking from internal rebellion in order to protect its commercial privileges and concessions.

Relations with other countries

In the last decade of the nineteenth century Britain was the only great power that remained committed to free trade, since the operations of the City depended upon the free movement of capital and commodities (Akita, 2002, pp. 68-74; Barkin, 2003, pp. 67-92; Keohane, 1984, p. 37; World Trade Organisation, 2007, pp. 35-39). Although Britain unilaterally lowered its tariffs for all countries, foreign governments could further lower the tariffs imposed on their exports by negotiating a bilateral trade treaty with the UK. The unilateral decision of Britain to lower its tariffs had a negative political consequence for Britain. London lost its leverage to open markets abroad by not using the principle of reciprocity. However, this was not the only quirk to undermine Britain's negotiation position. Unlike most other countries, Britain did not use its economic policies to strengthen its hand when negotiating treaties. This illustrates how important the unhindered movement of capital and commodities was for the activities of the City. However, it gave British manufacturers an enormous disadvantage compared to their US, French or German counterparts.

The USA

The global economy had changed dramatically over the course of a century, however, both decades were characterised by years of economic downturn and economic boom. Unlike the global crises of the last quarter of the nineteenth century, the crises in the last decade of the twentieth century were regional. The recession of the early 1990s in the US and the Asian financial crisis of 1997 are the most notable examples. However, just like the UK during the 1890s, the US remained committed to free trade and was the driving force behind trade liberalisation during the last decade of the twentieth century.

In the second part of the twentieth century, the global economic system underwent three fundamental changes (Dicken, 1998, pp. 1-78). The first crucial shift is the convergence of several peripheral economies with the core. The second important evolution is the increasing geographical complexity of the production chain of manufactured goods. According to UNCTAD, the global economy of the 1990s is characterised by a deep global integration that is primarily organised by transnational corporations (UNCTAD, 1993, p. 113). UNCTAD categorises it as deep integration because it extends to the level of the production of goods and services and an increase in visible and invisible trade. Furthermore, linkages between national economies are the result of cross-border value-adding activities within TNCs and within networks established by TNCs. A third important development is the establishment of new financial and economic multilateral institutions after WWII, these were designed to replace the previous power-based system of international political economy with a rules-based one (Barking, 2003, pp. 1-14). However, throughout the second part of the twentieth century, these institutions depended too much on the US for their financing and decision making to create a truly independent, multilateral system based on rules rather than power. Besides these differences, both decades share one crucial characteristic. Throughout the 1990s New York, just like London during the 1890s, was the heart of global finance and the USA was the largest foreign investor (Dicken, 1998, pp. 42-67).

Relations with its sphere of influence

Unlike Britain's informal empire that was entirely made up of peripheral economies, the US' SOI has economies from the periphery, semi-periphery and the core. This mix of core, semi-peripheral and peripheral economies means that the US' SOI has a different function than Britain's informal empire. When studying the economic relations between the US and its SOI, one can identify three types of countries.

The first category of countries is primarily located in Africa and Latin-America and functions primarily as satellite economies (Dicken, 1998, p. 24-78). Their purpose is twofold, being a market for US manufactured products and exporting raw materials and food to the US. In other words, they are textbook examples of peripheral economies and they are incredibly vulnerable to decreasing commodity and food prices. Furthermore, most of these countries are heavily depending on foreign aid and as the largest foreign aid provider, the US has enormous power over them (Moyo, 2010; OECD, n.d.).

The second group of countries are the newly industrialised countries (Dicken, 1998, p. 24-78). These countries reflect the shift in the international distribution of labour and the decision of many TNCs to relocate their production to low-labour-cost countries. These economies were primarily built on the export of labour-intensive manufactured goods to the core. As a result of the boom in their export industry, these countries had become increasingly more valuable import markets for manufacturers from the core and producers of raw materials and food from other peripheral economies. However, most NIEs were plagued by financial and economic crises during the 1990s and needed help from the international financial institutions to turn the dark page in their economic history. This gave the US a lot of influence and power over these countries since the IFIs depended heavily on the US for funding and decision making (Barking, 2003, pp. 1-14; Worth, 2015).

The third and last category of countries are the core economies from Western-Europe and Japan. Traditionally these countries don't belong in another core economy's SOI, however, three events of the mid-twentieth century pushed these countries in the US' SOI: WWII, the Marshall plan and the Cold War (De Keersmaecker, 2017, pp. 136-139; Moyo, 2010, pp. 12-13). Although these countries, just like the other two categories, were important markets for US goods and services, they also exported a lot of capital-intensive goods and services towards the US (Dicken, 1998, p. 24-78). This means that the economic relationship between the US and these countries was much more equal. Furthermore, the countries played another important role in the US economy, they were the largest receiver of US FDI and were the main source of FDI in the US throughout the 1990s. Although the US had some degree of influence in these countries during the 1990s, it was less pronounced than in the other categories.

Relations with other countries

Throughout the 1970s and 1980s, the PRC slowly entered the global economic stage, after diplomatic relations between the US and the People's Republic started to improve in the early 1970s (Wang, 2013). As a result of the improving diplomatic relations and domestic economic reforms, the Chinese economy started to boom. However, like the NIEs that were part of the US' SOI, the Chinese economy was build upon the export of labour-intensive manufactured goods that were too expensive to produce in the core-economies. As a result, China started the last decade of the twentieth century with an enormous trade surplus. Although the US' trade deficit with China would remain constant during the 1990s, Sino-US relations started to deteriorate once their common enemy, the USSR, collapsed. Furthermore, the Tiananmen crisis of 1989 resulted in US politicians questioning their decisions to wave the human-rights criteria of the Jackson-Vanik Amendment of the 1974 Trade act for China. Although President Bush and Clinton briefly imposed sanctions on the PRC for its rampant human right violations, they quickly reversed their policies and took softer stances towards the People's Republic.

The 1990s was the first decade of the post-Cold War era and also a new chapter in Russian-US relations. However, it was a dark chapter in Russian history with the collapse of the USSR and a decade of economic recession. In this era of economic and political disarray, the US pursued a policy based on the premise that Russia could be integrated into the Western lead international system (Wallander, 1999). However, instead of integrating Russia into the international trade system and creating support among Russians to further its integration into the Western lead system, the US focused on debt negotiations and IMF programs to push through a very specific set of internal economic reforms. Although economic stabilisation was crucial in order to integrate Russia into the global economic system, the reforms backfired and Russia transformed from a planned economy into one characterised by crony capitalism (Cooper, 2009; Worth, 2015, pp. 119-120). By the end of the century the Russian economy became increasingly more uncompetitive and as a result, it was unable to attract outside investment. Furthermore, from the 1990s onwards Russia became significantly more reliant on the production and export of oil, gas and other natural resources, while many of its agricultural activities and manufacturing sectors were in decline or completely disappeared (Cooper, 2009; Plotnikov & Vertakova, 2014). Russia transformed into a raw material supplier for the core, while becoming an import market for manufactured goods from Japan, the US and Western-Europe.

The British Empire versus the USA

The era of British and American hegemony are both periods where liberal economic thought had the upper hand and inspired the liberalisation of global trade. However, there are some fundamental differences between both eras. During the nineteenth century, a new economic system grew organically from a complex network of bilateral trade treaties among the leading trade nations of the day, without a multilateral conference or institution underpinning the system. This is in sharp contrast with the liberalised trade system of the second part of the twentieth century, which was governed by multilateral trade conferences and was underpinned by the WTO, a multilateral institution, from the mid-nineties onwards.

A first similarity is that during the second part of the nineteenth century and the second part of the twentieth century, international trade was invoiced in pound sterling and US dollar, respectively, further anchoring the leading role of the hegemon in the global economic system. A second similarity is that London and New York were the beating heart of the global financial system of the day. A third, shorter-lived similarity, was that both systems were based on a system of stable exchange rates supported by the gold standard. However, while the major currencies of the nineteenth century were all tied to gold, currencies in the early decades of the post-WWII world were tied to the gold standard US dollar. This similarity was short-lived, as the US unilaterally decided to abandon the gold standard in 1971 and created a system of floating exchange rates.

Although there are many similarities between both eras, there are some important differences. A first difference is that during the late-Victorian era the international economy was characterised by shallow integration, while the global economy of the late-twentieth century was deeply integrated. A second difference is that while Washington used the principle of reciprocity when lowering its tariffs, London unilaterally reduced its tariffs. As a result, the US had some leverage to open up markets abroad, while the UK had none. During the 1890s the UK and some smaller European economies were the only ones committed to free trade, while the others had reverted back to protectionist measures during the previous years of economic downturn to protect their own manufacturers. In the late-twentieth century, free trade was seen as the solution to overcome a period of economic downturn and Washington imposed trade liberalisation on struggling economies with the help of the IFIs. A third difference is the types of economic relations the UK and the USA had with other entities of the global economic system. While the British colonies and its informal empire produced raw materials and food for the British economy and were a market for British manufactures, the US did not have colonies during the 1990s and the role of its SOI was a bit more complex. This is largely the result of the diverse economic characteristics of the countries that belonged to the US' SOI. The US' SOI was a supplier of raw materials and food, a supplier of labour-intensive manufactured goods, a recipient and source of FDI and a market for US

manufacturers. The US' influence in the core economies of its SOI was much more limited than in the semi-peripheral and peripheral economies.

The hegemonic character of the British Empire and the USA

The last aspect that will be analysed in this dissertation is the hegemonic character of the British Empire and the USA. However, this is the most contentious topic when both powers are compared in their era of dominance. This part of the dissertation will look beyond the chosen decades to argue whether or not the British Empire and the USA were hegemonic powers, since underlying trends and forces are much more important to determine the hegemonic character of both states than acute events and crises. As mentioned before, the following definition is used for hegemony: a situation in which the dominant state is able and willing to shape and maintain the essential rules governing the global economy and interstate relations.

The British Empire

Although all scholars agree on the imperialist character of the British Empire, there is no academic consensus on whether or not the British Empire was a hegemonic power during the nineteenth century (Prys & Robel, 2011). However, according to our definition, the British Empire was a hegemonic power during the so-called hundred years of peace.

Throughout the nineteenth century the UK played a crucial role in shaping the realm of international politics with the Congress of Vienna, the London Conference of 1830 and the negotiations of the Treaty of Paris in 1856 as prime examples of moments when London was able to shape the interstate system to its liking (Coolsaet, 2014, pp. 25-47; Davies, 2014; Worth, 2015, pp. 29-40). However, the willingness of the British Empire to maintain the essential rules that govern interstate relations are often questioned. Although it's true that London preferred a foreign policy based on splendid isolation, regarding continental Europe, when it truly mattered London did not hesitate to intervene to preserve the balance of power on the European continent. Throughout its era of dominance, Britain continued to participate in the Concert of Europe that prevented local crises

to erupt into European wide conflicts. Although this may sound like a small feat, this was a fundamental shift in European interstate relations, since many similar regional challenges had often spiralled into a European wide conflict throughout the eighteenth century. However, once a great power was involved the Concert of Europe was paralysed.

Britain did not only shape and maintain the essential rules of interstate relations, it also created and governed the global economic system of the second-half of the nineteenth century. As the largest and most advanced economy, the British Empire was able to change the global economic system to better reflect its interests. To install this new international economic system of free trade the British Empire chose to lead by example rather than using brute force, however, by not using the principle of reciprocity it was not able to push other great powers to follow its example (Worth, 2015, pp. 32-35; World Trade Organisation, 2007, pp. 35-39). However, many European nations responded to the British move towards free trade by reducing their own protectionist barriers in order to emulate Britain's economic success. Countries could even further decrease the tariffs imposed on their exports by negotiating a bilateral trade treaty. As a result of being the largest import market, many countries chose to do just that. Britain lost a lot of leverage by unilaterally reducing its tariffs on imports to open up markets abroad, the promise to further decrease tariffs through trade treaties charmed many countries to move towards free trade. Although Britain was not able to completely transform the international economic system, it was successful in establishing and maintaining several crucial rules that increased and opened up trade between states. The most renowned and successful principle that allowed international trade to flourish was a strict adherence to the gold standard by the leading economies of the day. Once the Long Depression hit the global economy Britain continued to uphold its free trade principles, while many of its rivals reverted back to their protectionist ways. However, countries continued to adhere to the gold standard and technological innovations had brought transportation costs down. As a result, international trade continued to grow throughout this prologued period of economic downturn.

Although the British Empire did not always intervene when fundamental rules were not at stake, it did succeed in shaping and maintaining the essential rules governing the global economic system and interstate relations throughout the nineteenth century. As a result, the British Empire is considered to be a hegemonic power throughout the so-called hundred years of peace.

The USA

The academic debate on the hegemonic character of the US is even more complicated since scholars also argue whether or not the US was an empire. However, this dissertation will only focus on the discussion regarding the hegemonic character of the US. Although many scholars argue that the emergence of US hegemony was not complete until the Soviet threat disappeared in the late 1980s, it was the hegemonic power in the Western World since the end of WWII (Worth, 2015, pp. 41-62).

From the 1940s onwards, the USA has been able to mould the rules that govern interstate politics with the establishment of the UN system in 1945, the creation of NATO in 1949 and the inception of the G7 in 1975 as key moments (O'Brien & Clesse, 2002; Worth, 2015, pp. 41-62). Although the UN and the UNSC were the pinnacles of a new system to govern interstate relations, it was paralysed throughout the Cold War by US-Soviet hostility. Furthermore, the creation of the G7 also illustrates a shift in US preference away from 'the hard law UN system' to an informal system of global governance and the US' ability to rewrite, to a certain extent, the rules of interstate politics (Kirton, 2017). The willingness of the US to maintain the essential rules that govern interstate relations during the post-WWII era is contentious since the US is one of the states that frequently violates these rules in order to protect its own interests. Furthermore, the UNSC is paralysed once one of the five permanent members is involved, making it necessary to break certain essential rules to protect more fundamental ones. However, when its possible, the US tries to go through the UNSC in order to legitimately intervene abroad. Another complication is the move towards global governance, which further complicates the discussion whether or not the US was able to maintain the essential rules that govern interstate relations.

The US was not only able to alter the rules that govern interstate politics during the 1940s, it also redrew the 'global' economic system. Throughout the Cold War, it was confined to the West and its SOI. The Bretton-Woods system was forged among 44 allied nations at the Mount Washington Hotel in Bretton Woods, New Hampshire and was built upon four pillars: the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade and a regulated system of fixed exchange rates that was supported by the gold standard US dollar (Barkin, 2003, pp. 123-149; Klein, 2007, pp. 211-213; Worth, 2015, pp. 41-62). However, in 1971 the USA unilaterally terminated the gold standard, illustrating the US' ability to reshape the global economic rules to better reflect its interests. Furthermore, the IMF and WB depended heavily on the US for their financing and decision making, making it possible for the US to push the Washington Consensus on developing nations in financial ruin through these institutions. Throughout the second part of the twentieth century, the US was the main force behind regional and global liberalisation of trade as illustrated by the Uruguay Round and the NAFTA agreement (Kleen, 2008).

The US played a crucial role in shaping interstate relations and the global economic system of the second part of the twentieth century. Although US dominance was limited to the West and its SOI for a prologued period of time, it eventually spread around the world. However, did the US maintain the essential rules that govern interstate relations and the global economy? Although there is no doubt that the US has maintained and strengthened the essential rules of the global economic system, its role in maintaining the fundamental rules of interstate politics is contentious. Especially since the US has frequently violated these rules in order to protect its own interests and reach its foreign policy objectives. Throughout its era of dominance, the US was also able to rewrite to some extent these rules in order to better reflects its interests. For these reasons, the US was a hegemonic power during its era of dominance.

The British Empire versus the USA

Both the British Empire and the USA were hegemonic during their era of dominance since they were both able to shape and maintain the essential rules that govern the global economy and interstate relations.

Conclusion

Comparing the British Empire with the USA is a popular exercise for historical IR scholars, however, the 1890s are often forgotten or neglected. After analysing three facets of the international system separately, this dissertation will answer the following question: What are the similarities and differences between the British Empire during the 1890s and the USA during the 1990s?

The British Empire and the USA were both hegemonic powers during their era of dominance. However, there are some intriguing similarities and differences between the economic systems of the 1890s and the 1990s. A first difference is that although the American economy has been in a period of relative decline since the 1970s, the American economy was able to briefly regain its position as the largest economy during the 1990s. This is in sharp contrast with the economy of the British Empire, the largest economy of the day, it was unable to reverse its relative decline. However, this is not the only difference between both economic systems. A second difference is that the UK used its colonies and sphere of influence as a market for its manufacturers and as a source of raw materials and food, while the US did not have colonies to exploit in the 1990s and its sphere of influence had a more diverse role. Besides its traditional functions, the US' SOI was also a supplier of labour-intensive manufactured goods, capital-intensive goods and services and a source and recipient of FDI. A third difference between both eras is the attitude towards free trade during a period of economic downturn. While most major economies of the 1890s, except the UK, slowly turned towards neo-mercantilism, free trade was seen as the remedy during the 1990s. A fourth difference is how the hegemon tried to open up the global economy. While London unilaterally decided to reduce its tariffs, the US used the principle of reciprocity. Furthermore, while free trade

slowly grew during the nineteenth century from a complex network of bilateral trade treaties, free trade in the 1990s was underpinned by multilateral conferences and from the mid-1990s onwards by the WTO.

Although the economic systems had some major differences, they do have some similarities. A first similarity is that both the UK and the USA were the driving force behind free trade. International trade was also invoiced in the hegemon's currency. A second similarity is that London and New York were the financial heart of the global economy. A third similarity is that global trade flourished in both decades. However, in the 1890s it was the result of a strict adherence to the gold standard and falling transportation costs as a result of technological innovations, instead of trade liberalisation like during the 1990s.

During the chosen decades, both hegemonic powers witnessed a shift of power within the international system that would alter the distribution of power. During the 1890s the UK saw the ascent of Germany, Russia and the USA, while the US witnessed the collapse of the USSR and the start of the PRC's ascent to become a key power in the early twenty-first century. There are some important differences between the distribution of power and the amount of power both hegemons possessed. A first difference is that the USA was the dominant commercial, naval and military power, while the British Empire was primarily a dominant commercial and naval power. A second difference is that the 1890s were unipolar since the only potential polar power preferred an isolationist foreign policy during the nineteenth century, while the 1990s were tripolar. A third difference is that the US had the largest military budget and systematically outspend all second-tier powers, further strengthening the military superiority of the US, while Britain was regularly outspent by the second-tier powers.

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Appendix

Appendix 1: GDP data (1860-1900)

Madison's GDP estimate in billion 2011 US\$: 1860, 1870, 1880, 1890 & 1900

Country	1860	1870	1880	1890	1900
Austria	13,05	14,59	17,81	22,85	29,85
Czechoslovakia	20,39	22,16	26,78	31,75	39,36
Yugoslavia	NA	NA	NA	14,53	17,93
Transylvania	2,47	2,82	4,83	5,12	5,93
Hungary	12,15	15,71	19,55	23,73	29,18
Galicia and Lodomeria	8,99	11,05	13,98	17,22	24,05
Austria-Hungary	57,05	66,33	82,95	115,20	146,30
Australia	6,97	10,55	17,10	25,16	27,28
British Burma	2,33	2,52	2,52	2,52	8,37
British Ceylon	3,44	3,45	3,64	5,07	7,33
British Raj	182,45	179,63	194,94	217,27	226,75
Canada	8,26	10,84	13,46	19,78	26,87
Cape Colony	4,91	4,88	8,69	6,94	5,66
Egypt	NA	NA	NA	14,09	14,09
Hong Kong	0,11	0,11	0,11	0,20	0,28
Ierland	20,90	19,45	18,68	16,94	16,04
Jamaica	0,42	0,51	0,52	0,54	0,81
New Zealand	0,48	1,48	3,21	4,11	5,71
Straits Settlements	0,15	0,15	0,15	0,15	0,15
United Kingdom	144,09	179,48	203,55	251,56	306,44
British Empire	374,51	413,05	466,57	564,33	645,78
France	116,11	118,62	136,19	156,37	192,07
Indochina	6,41	8,64	11,22	14,11	17,30

Algeria	19,32	21,44	24,76	26,05	29,68
Tunisia	NA	NA	NA	1,87	2,23
French Empire*	141,84	148,70	172,17	198,40	241,28
Germany	119,39	145,74	175,00	233,46	327,91
German Poland	8,31	9,63	15,15	19,68	26,52
German Empire	127,70	155,37	190,15	253,14	354,43
Russia	137,17	164,63	164,63	206,06	319,96
Congress Poland	10,11	11,72	16,57	22,33	30,97
Finland	2,69	3,24	3,83	5,28	7,15
Imperial Russia	149,97	179,59	185,03	233,67	358,08
United States	109,04	150,34	245,53	328,16	477,57

source: Maddison Project Database (Bolt, Inklaar, de Jong & Van Zanden, 2018).

note 1: Maddison's estimates are based on a state's modern territory.

note 2: During the nineteenth century borders were changing quite frequently. To get the most accurate number possible this paper tries to define the actual territories by using the Atlas of World History (O'Brien, 2010).

note 3: There was not always sufficient data, however a rough estimate is made by extrapolating data and linear thinking. These rough estimates data are in *italics*.

note 4: GDP of the Empires is a rough estimate, since many overseas territories or subnational entities, that will become independent in the twentieth century, don't have data for the period 1860-1900.

Appendix 2: GDP data (1970-2010)

Madison's GDP estimate in billion 2011 US\$: 1970, 1980, 1990, 2000 & 2010

Country	1970	1980	1990	2000	2010
China	912,42	1.510,12	2.700,61	5.287,80	12.721,12
Austria	NA		NA	293,05	340,30
Belgium	167,76	233,70	281,22	330,46	411,43
Bulgaria	NA	NA	NA	NA	108,99
Cyprus	NA	NA	NA	NA	27,19
Czech Republic	NA	NA	NA	NA	274,35
Denmark	NA	140,17	170,45	221,87	239,55
Estonia	NA	NA	NA	NA	26,52

Finland	NA	NA	NA	170,98	201,88
France	974,55	1.338,73	1.688,67	2.065,84	2.344,83
Germany	1.329,39	1.754,57	2.554,29	3.103,56	3.394,89
Greece	NA	NA	195,17	248,36	295,60
Hungary	NA	NA	NA	NA	204,40
Ireland	NA	58,74	83,83	167,00	223,91
Italy	962,78	1.370,40	1.710,10	2.012,78	2.076,16
Latvia	NA	NA	NA	NA	35,69
Lithuania	NA	NA	NA	NA	58
Luxembourg	6,49	8,37	12,96	21,01	27,37
Malta	NA	NA	NA	NA	9,85
Netherlands	280,63	374,25	464,44	643,17	732,16
Poland	NA	NA	NA	NA	802,74
Portugal	NA	NA	185,91	249,56	268,64
Romania	NA	NA	NA	NA	371,22
Slovakia	NA	NA	NA	NA	117,22
Slovenia	NA	NA	NA	NA	52,84
Spain	NA	NA	894,64	1.210,84	1.510,97
Sweden	NA	NA	NA	312,83	400,94
United Kingdom	NA	1.138,16	1.476,36	1.870,10	2.188,73
European Union	3.721,60	6.417,09	9.718,04	12.921,41	16.746,13
India	624,85	848,07	1.461,54	2.523,31	5.269,02
Japan	1.595,02	2.468,13	3.652,62	4.187,26	4.462,24
USSR/ Russia	2.906,10	3.674,30	4.273,51	1.991,07	3.192,41
United States	4.912,63	6.743,65	9.250,38	12.974,00	15.271,69

source: Maddison Project Database (Bolt, Inklaar, de Jong & Van Zanden,2018).

note 1: Maddison's estimates are based on a state's modern territory.

note 2: For the years 1970 & 1980 the data for Germany represent the GDP of the German Federal Republic

note 3: The European Union is used to refer to the EU and her predecessors.

note 4: The EU gradually expanded and if a country wasn't yet a member their data will be replaced by NA

Appendix 3: Military Expenditure (1860-1900)

Military expenditure in thousands of current year pound sterling:1860, 1870, 1880, 1890 & 1900

Country	1860	1870	1880	1890	1900
Austria-Hungary	10.621	8.949	10.314	12.801	16.242
France	25.746	59.066	32.816	36.771	40.569
Germany	4.579	42.993	19.397	37.454	39.681
Russia	18.716	19.893	30.408	30.191	43.104
United Kingdom	25.007	19.917	21.448	29.602	119.587
United States	7.060	13.128	11.414	14.788	41.481

source: The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note 1: No data for European colonies.

Appendix 4: Military Expenditure (1970-2010)

Military expenditure in thousands of current year US dollars:1970, 1980, 1990, 2000 & 2010

Country	1970	1980	1990	2000	2010
China	23.775.520	28.500.000	6.060.000	42.000.000	76.361.000
Austria	NA	NA	NA	1.612.000	2.687.000
Belgium	701.953	3.958.349	3.070.000	3.212.000	5.234.000
Bulgaria	NA	NA	NA	NA	832.000
Cyprus	NA	NA	NA	NA	498.000
Czech Republic	NA	NA	NA	NA	2.659.000
Denmark	NA	1.607.729	2.600.000	2.395.000	4.505.000
Estonia	NA	NA	NA	NA	330.000
Finland	NA	NA	NA	1.560.000	3.589.000
France	5.933.017	26.424.988	34.790.000	34.053.000	51.978.000
Germany	6.117.342	26.691.973	35.610.000	27.924.000	45.875.000
Greece	NA	NA	3.920.000	5.528.000	7.956.000

Hungary	NA	NA	NA	NA	1.348.000
Ireland	NA	334.962	508.210	629.000	1.278.000
Italy	2.497.000	9.577.908	19.580.000	20.488.000	30.251.000
Latvia	NA	NA	NA	NA	257.000
Lithuania	NA	NA	NA	NA	458.000
Luxembourg	8.320	52.457	100.230	129.000	267.000
Malta	NA	NA	NA	NA	59.000
Netherlands	1.094.922	5.269.353	7.820.000	6.027.000	11.208.000
Poland	NA	NA	NA	NA	8.273.000
Portugal	NA	NA	1.540.000	2.221.000	3.005.000
Romania	NA	NA	NA	NA	2.465.000
Slovakia	NA	NA	NA	NA	1.130.000
Slovenia	NA	NA	NA	NA	732.000
Spain	NA	NA	8.540.000	7.063.000	14.746.000
Sweden	NA	NA	NA	4.610.000	5.604.000
United Kingdom	NA	26.757.385	38.520.000	35.655.000	57.796.000
European Union	16.352.554	100.675.104	156.598.440	153.106.000	265.020.000
India	1.507.870	4.560.701	10.100.000	14.765.000	30.865.000
Japan	1.649.789	9.297.521	28.730.000	45.316.000	54.357.000
USSR/ Russia	77.200.000	201.000.000	128.790.000	52.000.000	41.944.000
United States	77.827.008	143.981.000	289.755.000	303.136.000	693.600.000

source: The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note 1: For the years 1970 & 1980 the data for Germany represent the military expenditure of the German Federal Republic.

note 2: The European Union is used to refer to the EU and her predecessors.

note 3: The EU gradually expanded and if a country wasn't yet a member their data will be replaced by NA.

Appendix 5: Composite Index of National Capabilities (1860-1900)

Composite Index of National Capabilities:1860, 1870, 1880, 1890 & 1900

Country	1860	1870	1880	1890	1900
Austria-Hungary	4,96	4,25	4,39	4,71	4,24
China	17,43	17,07	16,28	15,56	11,99
France	12,21	12,74	10,83	9,53	7,47
Germany	5,15	10,60	10,56	12,59	13,15
Japan	2,51	1,99	2,10	2,13	2,88
Italy	2,86	3,13	3,21	3,64	2,81
Russia	8,89	8,12	10,45	9,51	10,92
United Kingdom	27,64	24,16	21,85	17,95	17,75
United States	7,74	9,84	12,54	16,54	18,80

source:The Correlates of War Project (Singer, Bremer & Stuckey, 1972).

note 1: No data for European colonies.

Appendix 6: Composite Index of National Capabilities (1970-2010)

Composite Index of National Capabilities:1970, 1980, 1990, 2000 & 2010

Country	1970	1980	1990	2000	2010
China	11,26	11,95	11,19	16,24	20,07
Austria	NA	NA	NA	0,26	0,21
Belgium	0,69	0,65	0,50	0,47	0,32
Bulgaria	NA	NA	NA	NA	0,11
Cyprus	NA	NA	NA	NA	0,02
Czech Republic	NA	NA	NA	NA	0,19
Denmark	NA	0,15	0,15	0,14	0,12
Estonia	NA	NA	NA	NA	0,02
Finland	NA	NA	NA	0,21	0,17
France	2,44	2,40	2,02	1,88	1,56

Germany	3,57	2,97	2,93	2,62	1,95
Greece	NA	NA	0,34	0,37	0,37
Hungary	NA	NA	NA	NA	0,13
Ireland	NA	0,05	0,06	0,06	0,06
Italy	2,03	2,00	1,87	1,71	1,38
Latvia	NA	NA	NA	NA	0,03
Lithuania	NA	NA	NA	NA	0,04
Luxembourg	0,16	0,11	0,08	0,06	0,04
Malta	NA	NA	NA	NA	0,00
Netherlands	0,72	0,67	0,60	0,55	0,46
Poland	NA	NA	NA	NA	0,57
Portugal	NA	NA	0,17	0,18	0,17
Romania	NA	NA	NA	NA	0,25
Slovakia	NA	NA	NA	NA	0,11
Slovenia	NA	NA	NA	NA	0,03
Spain	NA	NA	1,09	1,00	0,85
Sweden	NA	NA	NA	0,39	0,22
United Kingdom	NA	2,53	2,52	2,22	1,56
European Union	9,61	11,53	12,33	12,12	10,94
India	5,23	5,17	5,97	6,86	7,95
Japan	5,40	5,36	5,07	4,99	3,70
USSR/ Russia	17,14	16,87	12,96	5,15	3,95
United States	18,09	13,31	14,13	14,28	14,81

source: Correlation of War Project (Bolt, Inklaar, de Jong & Van Zanden,2018).

note 1: For the years 1970 & 1980 the data for Germany represent the military expenditure of the German Federal Republic.

note 2: The European Union is used to refer to the EU and her predecessors.

note 3: The EU gradually expanded and if a country wasn't yet a member their data will be replaced by NA.