

U.S. hegemony in retreat

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The Paradox of Hegemony

At the heart of this crisis is a paradox embedded in the hegemonic stability theory. The hegemon creates the system but may resent the cost of maintaining it over time. As rivals rise and domestic pressures mount, the hegemon might no longer see value in paying for public goods that increasingly benefit others.

We are approaching U.S. President Donald Trump's 100th day in office, and Washington has already been a hive of activity. From sweeping executive orders to belligerent rhetoric on trade, many analysts conclude that Trump is abandoning the very international system the United States built after the Second World War. The erosion of American commitment to global leadership is more than a matter of diplomatic style. It marks a strategic shift with far-reaching implications.

It reminded me of a theory I studied while doing my postgraduate degree at arguably the world's best university, the London School of Economics and Political Science (LSE): hegemonic stability theory (HST). I never expected this IR concept to feel so relevant years later. While this is not an academic piece, I find HST useful in understanding the unfolding between the U.S. and China. As Washington pulls away from the post-war system it once championed, the question arises: **what happens to global stability when the hegemon starts behaving like a revisionist power?**

America the Reluctant Hegemon

Hegemonic stability theory, as advanced by scholars such as Charles Kindleberger (1973), Robert Giplin (1981), and later Robert Keohane (1984), argues that the international system is most stable when a single dominant state creates and maintains the rules of the game. The hegemon provides public goods: open markets, reserve currency stability, maritime security, and a predictable framework for cooperation. Other countries, even those that do not necessarily like the hegemon's dominance, often benefit from and depend on this system.

Beginning in 1945, the U.S. took on this role with conviction. Through the Bretton Woods institutions, NATO, and the liberal trade order centred on the General Agreement on Tariffs and Trade (and later the World Trade Organization), Washington underwrote a set of rules and norms that promoted relative stability and economic integration. Its dominance was not just military or economic. It was systemic.

But Trump's return signals a stark departure. Rather than upholding the system, his administration is opting out. The repeated refusal to engage multilaterally, threats to withdraw from NATO, the rejection of climate agreements, and the open disdain for trade deals like the Trans-Pacific Partnership (TPP) all suggest a hegemon tired of its own architecture.

For the U.S., the post-2008 global financial crisis (GFC) has sharpened this perception. The GFC damaged its reputation as a responsible steward of international finance. China's ascent accelerated in parallel. At home, large swathes of the American electorate grew sceptical of globalisation and free trade, blaming foreign competition for domestic job losses and wage stagnation.

Enter Trump the demagogue: the first American president in living memory to openly campaign against the liberal international order. He treated alliances as transactional arrangements, threatened tariffs on allies, and framed global institutions as conspiracies against American prosperity. It was not just the trade war with China that marked this shift. It was the larger decision to forgo responsibility for the order America had built.

China: Challenger or Beneficiary?

While Washington retreats, Beijing is playing a long game. China has benefited immensely from the post-war order, particularly regarding its economic dimensions. Its accession to the WTO in 2001 catalysed decades of double-digit growth, export surpluses, and the integration of Chinese firms into global supply chains.

Critics argue that China's state capitalism, intellectual property practices, and political repression contradict liberal norms. But under HST, this matters less than the structural dynamic: the hegemon's declining commitment and the following vacuum.

China has seized this moment. Its Belt and Road Initiative, new multilateral banks such as the AIIB, and growing presence in international forums show a state ready to shape the system or at least insulate itself from the one America no longer wants to uphold. Yet, China is not trying to dismantle the order wholesale. It acts as a selective reformer, coexisting with the system while incrementally shifting its centre of gravity.

The Erosion of Systemic Trust

International systems rely not just on hard power but on expectations. States and markets act based on assumptions that the hegemon will provide continuity. HST teaches us that when those expectations collapse, so too does the incentive to play by the rules.

Trump's policy doctrine is grounded in strategic ambivalence. Allies no longer know if the U.S. will come to their defence. Trade partners are unsure if past agreements will hold. Investors and diplomats read every social media post for signs of an unpredictable pivot.

This is more than disruption. It is a degradation of trust in the system's core. While HST accounts for hegemonic decline as a material process, Trumpism adds a new layer: intentional abdication. The hegemon is no longer being displaced. It is walking off the field.

Public Goods and Power Vacuums

Hegemons provide order not just through enforcement, but through presence. U.S. naval patrols ensured freedom of navigation, its financial institutions absorbed global liquidity shocks, and alliances restrained regional arms races. In stepping back, Washington creates gaps that no state is ready or willing to fill.

This is evident in global trade. With the TPP abandoned, the vacuum was filled by the Regional Comprehensive Economic Partnership (RCEP), a deal conceived by ASEAN but largely shaped by Beijing. As U.S. rhetoric leans protectionist, others are reshuffling supply chains, forging new trade corridors, and recalibrating expectations around global leadership.

But the consequences go beyond economics. When the hegemon refuses to bear the burden of stewardship, the system starts to fragment. Competing spheres of influence, regulatory divergence, and bilateral bargains begin to replace the universal rules once taken for granted.

What Comes After Hegemony?

Hegemonic stability theory does not predict that a new hegemon will automatically emerge. It warns of the chaos when leadership fades and no alternative steps up. The current transition is not from unipolarity to bipolarity or multipolarity. It is from order to uncertainty.

The real tragedy lies not in America's decline but its deliberate retreat. Washington still commands the resources, alliances, and institutional architecture to maintain global leadership. But it lacks the political will. This makes the world more unstable, not just because China is rising, but because the system's architect no longer wants the blueprint.

A Word of Caution for ASEAN

For ASEAN, this shift carries consequences. Our economies are deeply linked to global trade flows, supply chains, and the rules-based system. We rely on certainty, not brinkmanship. As a region historically caught in the currents of great power rivalry, we are interested in preserving a stable order regardless of who leads it.

This is where the logic of HST matters most. It reminds us that the system is not self-sustaining. Without a committed hegemon, even the most carefully constructed order will unravel. The trade wars are not the cause. They are a symptom of something more profound: the hegemon's disinterest in the very stability it once guaranteed.

The Price of Abandonment

China is not overtaking the United States because of its relative decline. It is being overtaken by choice. By abandoning the architecture it once defended, it risks losing influence and the moral authority underpinning its primacy.

Hegemonic stability theory offers a sobering lens through which to view this shift. It reminds us that power alone is not enough. Leadership is about responsibility. And when the hegemon shirks that duty, the international system begins to fray not at its edges, but at its centre.

The cost of the American retreat will not be paid in trade deficits or diplomatic spats. It will be paid in instability, fragmentation, and the loss of the system that enabled decades of prosperity for the U.S. and the world it once led.

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