



The erosion of Pax Americana: Rethinking the multi-dimensional decadence of U.S. hegemony in the 21st century

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Abstract

The idea of Pax Americana has always been used to characterize the world politics, military and economic dominance of the United States after the Second World War. However, the recent 21st century has seen more academic discourse on the undermining of this edifice of hegemony. This research paper discusses the multi-level deterioration of the U.S. hegemony in terms of its structure, economy, geopolitics, technology, and domestic factors. Based on the hegemonic stability theory, power transition theory, and world-systems analysis, the paper contends that the U.S. hegemony, which has been cemented since the Cold War and is represented by the presence of such institutions as NATO, International Monetary Fund, and World Bank, is slowly but increasingly eroding instead of collapsing. Economically, the relative fall in the U.S. share of global GDP, emergence of China and the threats to dollar centrality are indicators of a shift in world production and financial influence. In military terms, asymmetric warfare, overstretch, and strategic aggressiveness of actors, like Russia, make the conventional deterrence models difficult. At the institutional and political level, the polarizing tendencies within the United States and the falling rates of confidence in liberal internationalism are elements that erode its ability to maintain leadership in the world arena. Systemic rivalry is further enhanced by technology as technical competition in the semiconductor industry, artificial intelligence, and digital infrastructure. Alternatively, other forms of governance are normative challenges to the liberal-democratic paradigm, which was the basis of post-1945 order. Instead of being an indicator of systemic failure, these changes are an indication of shift towards a more fragmented and multipolar world system. The paper concludes that U.S. hegemony is not lost but changing, from unipolar dominance to negotiation of leadership in an ordered world of contention.

Keywords: Pax americana, u.s. hegemony, multipolarity, globalization, china, international order

Introduction

Ever since 1945 the singular American global influence has been through the mechanism of the so-called 'Pax Americana' based on the U.S. ability to provide security, stabilize markets, and mold international norms. This thought was further enhanced by the end of the Cold War. The disintegration of the Soviet Union created what academicians described as a "unipolar moment" during which the US wielded unprecedented power over international governance, security affiliations, and economies (Krauthammer, 1990; Ikenberry, 2011) ^[1, 2]. Nonetheless, the modern academic literature casts more doubts on the sustainability of such an order. According to analysts, the liberal international system that was established after World War II is no longer relevant to describe U.S. global dominance, despite the fact that major powers still have to offer international public goods (Nye, 2019) ^[3]. At the same time, the power shifts in structure, specifically the emergence of China, is putting the U.S. primacy at risk and jeopardizing the existence of the postwar order (Ikenberry, 2018) ^[4]. The main research question is shaped by these debates: To what degree is Pax Americana wearing out in the 21st century, and what are the structural determinants of this process? What is the extent to which the U.S. dollar and international financial institutions remain dominant in reducing American decline narratives? What factors are decreasing legitimacy of liberal international institutions, democratic backsliding and multilateralism challenges on U.S. normative authority? In what ways do the key theories of international relations

(realism, liberal institutionalism, and neo-Gramscian views) explain the fall or the metamorphosis of U.S. hegemony? What has the emergence of new powers, especially China and the resurgence of Russia entailed with respect to the U.S. geopolitical dominance and alliances? Which other form of world order— multipolar, bipolar, or network based government is most likely to arise as a result of the decomposition of Pax Americana? All these questions will be responded to in the process of this paper.

Learning how US Hegemony is changing through International Relations Theories.

Hegemony in international relations entails both coercive dominance and consent leadership intertwined in institutions and norms. Conceptual origins of hegemony in the literature of international relations are generally traced to the writings of Antonio Gramsci who saw hegemony as consisting of material dominance and cultural-ideological consent that stabilized leadership in the international and domestic order. Based on this, critical international relations theorists like Robert Cox developed the view of global hegemony as historically contingent, which is created by institutions, social forces, and production relations and not just by the superiority of their military. Neo-Gramscian is the scholarship that views U.S. hegemony as a structure that existed over time due to the impact of social forces, crises, and institutional changes instead of just brute power dominance (Pass, 2019) ^[5]. Modern liberal and realist views develop the discussion further: Joseph Nye focuses on how the U.S. hegemony is being eroded by changes in soft

power, technological capability diffusion, and complex interdependence, and Paul Kennedy presents patterns of imperial overstretch and relative economic decline as structural forces on the great powers. Put collectively, this literature implies that the perceived deterioration of the United States is not that absolute but is a multidimensional change whereby economic redistribution, institutional challenge and normative pluralism are eroding a single superiority in the increasingly multipolar international system (Kennedy, 1987; Nye, 2011) [6, 7].

The previous explanations of Pax Americana focus more on coalition-based leadership other than universal domination where the U.S. power is anchored on alliances, internalized liberalism, and the bargaining of institutions following 1945 (Clark, 2011) [1]. That implies that erosion can take place due to institutional weakening as opposed to abrupt collapse.

History has demonstrated that American hegemony follows the pattern of a rise and fall: world leadership after World War I, a withdrawal in the interwar years, and regaining its power after World War II (Nye, 2019) [3]. Modern retrenchment narratives are thus reminiscent of earlier eras of perceived retrenchment.

Powershift of the USA with respect to China and Russia.

One of the main causes of hegemony erosion is the shift of world power towards new states. Scholars underscore the fact that there is no eternal international order; at the beginning of the 21st century, the changes are observed, demonstrating the loss of relative U.S. power and the rapid rise of China (Ikenberry, 2018) [4].

The growth of China as an economic power was dramatic, increasing from 3.5 percent to 18.5 percent in a short period between 2000 and 2021, thus depicting the very rapid growth. Nevertheless, the economy of China is approximately 62 percent the size of the United States, which highlights the continued but disputed American primacy.

In realist terms, China's current aggressive economic growth, modernization in the military and balancing actions at the regional level are strong indicators of an impending power shift that would corrosively undermine U.S. primacy and create strategic competition (Mearsheimer, 2014) [11]. However, the liberal and institutional point of view emphasizes the fact that China is concurrently integrated into both economic and governance systems of the world, and indicates a more intricate pattern of competition based interdependence, as opposed to direct hegemonic substitution (Ikenberry, 2008) [10]. The critical and historical approaches also point out how the efforts of transnational infrastructure investment, alternative financial institutions and discourse promotion of multipolarity are attempts to restructure global order instead of merely reversing it (Callahan, 2016) [9]. The US-China equation is characterized by coexistence of rivalry, institutional negotiation and systemic transformation as opposed to one or immediate hegemonic transition.

Besides China, the geopolitical reassertion of Russia makes the U.S. domination more difficult, and it leads to the change of the world order. Moscow has been practicing a policy of revisionist realism, which entails the employment of both traditional military power, most recently in Georgia (2008), Syria (2015), and Ukraine (2022), and non-traditional tactics which aim at sabotaging Western-

dominated institutions and norms (Chivvis, 2024) [12]. Russia has been able to use regional blocs such as the revamped BRICS+ and the Shanghai Cooperation Organization (SCO) to develop alternative financial and security structures that are not dependent on the U.S. dollar or NATO by positioning itself as a "civilization state" and a principal promoter of "multipolarity". Moreover, the restrictions of the American deterrence have been revealed with the help of Russian "unpredictability" via cyber attacks, as well as extreme military brinkmanship. This has forced a reassessment of the "rule based" international order which Washington has leveraged since the end of the Cold War (Norberg, 2024) [13].

Diffusion in the Economic Realm

The process of globalization itself compromised U.S. hegemony by spreading the production, capital, and technological power throughout the world. This opinion suggests that Pax Americana has successfully come to an end, when the postwar order was destabilized by global integration and the United States engagement in military intervention was used to regain power (Bina, 2023) [15].

The trend of U.S. fall is attributed to the relative loss of the Bretton Woods-era of financial regulation and slow transition towards currency diversification of global transactions. Even organizations like the International Monetary Fund and the World Bank, which were formerly key drivers of United States structural power, have been challenged to their legitimacy due to lack of control over governance, conditional lending criticisms and the increased need by the emerging economies to seek other avenues of financing (Wade, 2011) [27]. Along with this institutional contestation, there are arguments about de-dollarization that focus on initiatives of rising and middle powers, to lower their dependence on the US dollar by bilateral currency swaps, regional payment systems, and diversification of reserve balances, thus undermining one of the pillars of the U.S. monetary hegemony (Eichengreen, 2011; Tooze, 2018) [16, 26]. Although the dollar continues to dominate, the decentralization of financial power and the rise of alternative institutions are indicative of gradual erosion of unilateral economic power and not a systemic meltdown. This leads to the projection of U.S. decline as relative, uneven and structurally embedded in overall changes of world political economy.

In addition, this structural diffusion is supported by the empirical trends. The commercial ship production in the United States is currently only less than 1 percent of the world, and China is producing more than 1,000 vessels every year, which represents long-term industrial decline and strategic vulnerability (Financial Times, 2024) [14]. The restructuring of the supply-chain since 2016 indicates that China continues to have a robust presence in global value chains despite geopolitical tensions, and U.S. imports have moved toward partners who remain linked with Chinese chains of production.

The American institutional and ideological Disintegration.

Since hegemony depends not only on power but also legitimacy. The trend of democratic backsliding across the world (and increasing threats particularly to multilateral cooperation) have undermined the normative influence that the United States had traditionally had. Neo-Gramscian

analysis emphasizes that the U.S. leadership has traditionally been integrating coercion with the moral-intellectual power; hence weakening of consensus undermines the hegemony structurally (Pass, 2019) ^[5]. Liberal institutionalist school argues that institutions formed in the post-1945 order had credibility in the commitments to rule-based governance, democratic values and collective problem solving, when these norms are not observed consistently - by selectively intervening, withdrawal from agreements (USA's withdrawal from the Paris Agreement and the World Health Organisation) or toleration towards authoritarian partners - the moral leadership which forms the basis of the U.S influence is lost. The fall of liberal world order free and the emergence of intolerance in the form of a global democratic recession and polarization undermine the sales pitch of liberal models of governance that were once at the center of the U.S. projections of soft power (Levitsky & Ziblatt, 2018; Luhrmann and Lindberg, 2019) ^[18, 19]. On the systemic level, the growing mistrust of multilateralism and the emergence of alternative modes of governance as advocated by non-Western forces also increase the plurality of the normative environment by limiting the capacity of the United States to establish universal political norms (Acharya, 2014) ^[17]. Polarization caused by globalization implies that political inertia in the United States and disparities in the capacity of citizens worsens the unanimity of governance, thereby becoming a "capacity trap" that propagates protectionism and dysfunction (Yang, 2025) ^[30].

Military and Technological Limitations

Maintaining military primacy in the world is economically and environmentally costly. High military expenditure is associated with more emission and less green innovation, which may push out long-term economic transition (Marko, 2024). The paradox of hegemonic security provision is depicted by such burdens. The long-term interventions and counterinsurgency operations put a strain on the material and political resources of the United States, which strengthened the thesis on the idea of imperial overstretch and undermines the validity of coercive power as a viable basis of world leadership (Kennedy, 1987) ^[6]. The U.S. dominance in a rapidly multipolar security system has been additionally complicated by strategic rivalry with near-peer rivals, the spread of hi-tech military innovations, and the escalating cost of the global force projection (Posen, 2014) ^[22]. Meanwhile, the discussion inside the alliance frameworks and internal war-weariness has limited the readiness to engage in major interventions, undermining the deterring signaling or normative leadership traditionally linked to the U.S. security service (Mearsheimer, 2018) ^[21]. With the beginning of the technological era, new frontiers of competition are now in the limelight where the traditional military warfare has been pushed to the back foot. The new competition is manifested in technology, maritime infrastructure, and supply chains as a core of the U.S.-China rivalry instead of the old-fashioned battlefields supremacy, which can be viewed as changing the face of the geopolitical rivalry. One of the main arenas of the 21st century hegemonic contestation is technological rivalry, particularly in the fields of AI, semiconductors and green energy. The new technological rise of China as well as other developing economies has reallocated structural power in

the global political economy resulting in comparative erosion of hegemonic benefits historically enjoyed by the United States. Control over semiconductor supply chains once dominated by the U.S.-aligned firms and research ecosystems has become a focus of geopolitical conflict, with state-led industrial policy, export controls, and technological decoupling reflecting deeper conflicts over future economic leadership (Miller, 2022) ^[25]. This is characterized by the USA placing hefty tariffs on rival countries such as the 100 percent tariff on the Chinese EVs. At the same time, the world of competition in the digital infrastructure, artificial intelligence, and platform governance also threatens the universal dissemination of U.S.-centric technological norms, indicating the disintegration of the once liberal technological order (Farrell and Newman, 2019) ^[23]. The world has progressed into a path of renewable technologies and green industrial policy in the energy sector, which has made it possible to have several centers of technological innovation and production, undermining the structural interconnectedness of U.S. financial, technological and geopolitical preeminence that defined other periods of fossil-based geopolitics (Meckling & Nahm, 2019) ^[24]. Scientific cooperation is even more and more disrupted by geopolitical tension. Recent statistics of 2016-2021 demonstrate dropping U.S.-China research cooperation prior to the COVID-19 outbreak, which was not caused by health disturbance but by the political confrontation (Wagner and Cai, 2022) ^[29].

US as a hegemonic power Domestic Disintegration.

The influence of internal dysfunction is that of undermining credibility in foreign countries. The purported decline can be explained by the partisan struggle and governance insecurity that undermines the trust that the allies have in the U.S. leadership. As the growing political polarization and the expanding socioeconomic inequality in the United States have destabilized the domestic bases of the hegemonic power of the United States by reducing institutional cohesion, the efficacy of governance, and the attractiveness of the United States liberal democratic model to other countries. Continued partisan division has resulted in stalemates in legislative processes, unpredictable foreign policy pledges, and decreasing civic confidence in the democratic processes-all of which diminish the state of strategic integrity and credibility in international leadership (Fukuyama, 2014; Levitsky and Ziblatt, 2018) ^[18, 31]. Meanwhile, the increasing levels of wealth concentration and structural inequality undermine the ideological appeal and the projection of soft power to other countries of the U.S. capitalism of the past, which has always been the inclusive prosperity narrative (Piketty, 2014; Stiglitz, 2012) ^[32, 33].

Contradictory Views: U.S. Primacy Perseverance.

However, the United States still has lasting structural benefits, which are "virtually uncatchable" inspite of the increased competition in the BRICS+ bloc. Advocates of extended American hegemony cite three main foundations of resilience, namely dominance in technology, energy independence, and the exceptional position of the American financial system. The U.S. has a clear advantage in the technological domain in the Artificial General Intelligence (AGI), quantum sensing, and advanced semiconductors with projects like 'Pax Silica', to ensure secure supply chains.

Moreover, the 'Shale Revolution' has turned the U.S. into an exporter of energy and its foreign policy is no longer tied to the unrest in the Middle East and gives certain resource security which can hardly be measured to date by its competitors like China and India who are still highly reliant on imported energy.

On the economic side of the issue, though the concept of de-dollarization often makes the headlines, 58 percent of the world reserves are pegged to the U.S. dollar, and the TINA (There Is No Alternative) logic still prevails because the U.S. financial markets are deeper, more liquid, and more transparent than any other in the world. China's, the greatest threat to the United States, demographic decline, debt and productivity slump might preclude its capacity to supplant the U.S. leadership thus indicating that it does not offer hegemonic enduring opposition but long-term strategic rivalry. This architectural shift implies that the U.S. instead of doing so on a pure downward slope, the nation is experiencing a form of controlled recalibration that aims at jettisoning expensive global policing responsibilities without preclosing the heart of dominance in the most crucial technological and geographic spheres.

Towards a Post-Pax Americana Order- A Multipolar Government.

A new world order is probably characterized by distributed leadership among the dominant forces instead of uni-polar dominance. A post-Pax Americana order is less to be seen as a complete alternative system but as a shifting system of configurations that involves overlapping spheres of influence, institutional diversity, and normative rivalry. The new powers are not demanding the changes to the system wholesale, but demand a more speaking and representation voice, and the United States still has significant benefits in the capacity to innovate, alliances, and centrality in financial terms. The probable course, thus, is a mixed order consisting of liberal institutionalism, strategic rivalry and pragmatic multiple educational collaboration. Such an order can be less stable and more negotiated than the unipolar moment of the late twentieth century, but it follows some more general histories of spreading hegemonic authority and then giving way to new ones. In this regard, the shift beyond Pax Americana is not negative but rather represents the reconstruction of world order whereby plural power, contested legitimacy, and multidimensional interdependence are realities among twenty-first-century global politics. Therefore, liberal institutions should survive but not be perpetuated by reforms that strengthen the hierarchy of old positions.

Conclusion

The loss of Pax Americana is a complicated construction change and not an abrupt downfall. During the post-Cold War period, the superiority of the United States lay on the reinforcing pillars of military advantage, economic centrality, technological advantage, institutional agenda-setting ability, and the appeal of liberal democracy with a sense of normality. The above discussion has revealed that the pressures on all these dimensions, such as geopolitical tensions and technological hostilities to democratic retrogression, financial fragmentation, and polarization of the domestic arena, are not solitary but compound. What is born, then, is not a story of linear decline but some multidimensional rebalancing where relative power

changes, legitimacy struggles and institutional diversification intertwine to redefine the architecture of world order. These shifts are in line with the long term historical cycles in which hegemonic systems transform across the periods of expansion, saturation and redistribution and settle into new equilibria.

More importantly, the modern present is no longer characterized by hegemonic substitution but rather by hegemonic weakening. There is no one emerging force today that is capable of matching the level of structural reach that once was held by Pax Americana; authority is instead diffusing among regional powers, issue-specific coalitions and overlapping institutional structures. The economic globalization process is not stopped, but it takes more fragmented and securitized forms. Technological innovation is faster, but in the absence of a generally acknowledged regulatory or normative centre. Multilateral institutions are here to stay and their legitimacy is being negotiated and no longer assumed. Such a diffusion creates a paradoxical state of affairs: the United States is still essential to most aspects of world government and at the same time forfeits the ability to impose rules, norms, and outcomes unilaterally. The resulting order is not unipolar, but not completely multipolar but of a hybrid type, or, to be more precise, one of competitive interdependence, selective cooperation and episodic contestation.

One of the most significant changes is the undermining of the universal liberal agreement at the normative level. It is a competing form of governance patterns, civilizational discourses and developmental processes that can now assert a semblance of legitimacy in the international discourse discounting the unitary authority once vested in liberal democratic universalism. However, it is important to note that this pluralization is not only as erosion, but it is also the social growth of international politics outside the historically Western center. In this regard, the shift to something that is beyond Pax Americana is one of loss and integration: of the loss of the hierarchical stability and predictability, as well as adaptation to the larger representation and negotiated legitimacy. The question is whether this development will eventually lead to instability or renewal based on how major powers and institutions can handle the competition without a collapse of the system.

In conclusion, the new post-Pax Americana reality needs to be perceived as an unfinished process as opposed to an a priori goal. The world is renegotiating global order on the military, economic, technological, institutional, and ideological levels, creating a state of uncertainty alongside the possibility. The major analytical implication is that both decline and continuity are present: the U.S. power continues to exist in absolute terms and its relative dominance becomes smaller, and liberal institutions survive even when their power comes under question. It is probable that the international system in the future will be more decentralized, more plural in values, and more reliant on negotiated coordination between different actors. The world might not be as coherent as the late twentieth century, but it could be more reflective of distributions of power and identity in the twenty-first century as well. The loss of Pax Americana, is, then, best viewed, not as the dissolution of order as such, but as the beginning of the restructuring of the world such that stability is no longer attained through unilateral dominance, but instead through controlled interdependence, collective obligation and responsive

legitimacy. The future of the international arena will be based on collaborative multipolar governance which could solve common problems-climate change, technological upheaval and economic disparity than the paradigm of exclusive hegemony control.

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