

Review Article: America's Market Polity of Knowledge and Ferguson's Stumbling Colossus

Colossus: The Rise and Fall of the American Empire

Niall Ferguson

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The Debate on Empire

Since November 1989, when the Berlin Wall was dismantled, the debate on whether America is an empire which is in decline has been unfolding. The debate is part of a search for an explanation of the new times and of prospects for the future.¹ In Europe the debate tends to be anti-America.² Harvey³ defines the position of America as the new imperialism whilst also emphasizing that the law-like underpinnings of capitalism will grind America into decline. Todd⁴ maintains that America has already started the long-term decline. Mann,⁵ a Brit in California, emphasizes the consequences of an incoherent raft of military, ideological, political and economic policies. America is a military giant, an ideological phantom, an economic driver and a political schizophrenic. Within America there is a well established school of critics of American power. Wallerstein⁶ detects the origins of American decline and its precarious foothold in the crumbling international order in the post-Vietnam decade. Johnson⁷ suggests that the military empire of America corrodes democracy and will bankrupt the nation. America will head into Soviet-style collapse.

What distinguishes Niall Ferguson's⁸ diagnoses and visionary diplomatic history is that he is sympathetic to the liberal empire, sympathetic to America as a military power, yet also anticipates a stumbling colossus. The case for empire is contained within the four volume, multi-authored *Oxford History of the British Empire of the British Atlantic World in the Seventeenth/Eighteenth Century*.⁹ The volumes cover the essential aspects of the Atlantic world in the early modern period and narrate the emergence of the West as a dominant power in world history.¹⁰ They provide a relevant background to the two books on empire by Niall Ferguson. Ferguson's variant on the Oxford History is contained in the international bestseller *Empire. How Britain Made the Modern World*.¹¹ The new book, *Colossus. The Rise and Fall of the American Empire*¹² is mainly concentrated upon the post-1945 decades.

The exceptional market polity for knowledge and consumption in America is only lightly touched upon by all of the above. Therefore I will split this article into three parts: an account of America's market polity of knowledge and consumption up to the fall of the Berlin Wall; a reconstruction of the Ferguson thesis; and the problems, challenges and problems facing the Ferguson thesis.

America's Market Polity of Knowledge and Consumption*Eighteenth Century Atlantic World*

The Atlantic world in the mid-eighteenth century was a highly developed arena of warfare and trade between competing European states.¹³ It was a barbarous selection environment in which Britain's geo-political location, its merchant traders, citizens of the world,¹⁴ and the nexus of governance–taxation enabled the emergence of a sea based empire.¹⁵ Slavery was a key enterprise with newly emerging traders at the leading edge of innovations in ship design and in the transport of humans with calculable rates of survival.¹⁶ Madeira wine occupied a small but important role in occupying otherwise empty vessels on return journeys.¹⁷ British migration established at least four distinctive regional communities on the East Coast of what became the United States of America.¹⁸ Initially these regional communities were a spider's web of dependent outposts of the British Atlantic capitalism, yet they also possessed autonomy and diversity in governance. They soon became increasingly articulated within the Atlantic World and British taxation policies. The four major regional polities were most united in the politics of consumption of British goods,¹⁹ yet also contained rapidly growing future centres (e.g. Boston, New York, Philadelphia). The colonies contested British taxation, especially after the defeat of France in 1759.²⁰ Notwithstanding the *Virtual History* of Ferguson, and many other similar British inspired counterfactuals, the colonists broke away at Independence.

*Independence and a New National Identity*²¹

During the decade in which Independence unfolded America sloughed off the monarchical forms, royal decrees and abandoned English forms of state governance thereby giving shape to a new national identity involving the exercise of new kinds of initiative. The English model of a society ordered by status exercised considerable influence, but its chasm between the gentry and ordinary folk was not reproduced in America. The dethroning of European distinctions left the way open to define and be anxious about new standards. American social structure was not simply moving towards egalitarian social norms. There were distinctions and these varied by region. After 1800 there was a large rent in the social fabric for some people to walk through. Jefferson rejected those formalities that might intimidate ordinary folk and introduced the fraternal handshake in place of the bow. The old colonial structures and systems of distinction experienced a seismic shaking. The champions of an open society battled with the defenders of the old ways. Old forms of distinction based on colonial manners and dress were shattered and the revitalization of American Protestantism undermined old religious hierarchies. Yet there were obvious and massive fault lines between the regions of the North and South.²²

Independence brought an enlarged scope for agency amongst the founding generation that inherited America. They looked to their peers for models rather than their parents. The new cohort instituted an interpretation about American democracy that confined the options of their successors. Moreover, their engagement with the market provided the intellectual foundations of free enterprise and material success. Because of the Atlantic World the accelerating pace of international trade penetrated the daily lives of rural farm boys even when they were unfamiliar with the long chain of linkages from them to the final consumers. By 1800 a party of reforming democrats had 'found its voice, a cause, and the strategy for prevailing at the polls'.²³ The reformers overpowered the tactical advantages previously held by a small upper

elite and confined their influence. In that context of high mobility and the constant churning of people the rhetoric of individual responsibility came to be treated as a natural phenomenon.

There were four unexpected developments which interacted in unexpected ways: the radicalizing of politics, the revitalization of religion, new opportunities for the young, and the abolition of slavery in the Northern states. These made public life more spontaneous and fractured, weakening the guards of discretion and restraint that had previously patrolled the borders between the public/private and secular/sacred. Few escaped their transforming intrusiveness. The result was that the warm passions of religious awakening overwhelmed the cool, rationalist attitudes of the enlightenment and the Protestant habitus was taken in new directions. A succession of evangelical revivals changed the face of American Christianity.

Because political union preceded the formation of national identity the founding generation had to imagine the sentiments that might transform them into a nation. The founding fathers drafted a new form of government for the loosely-joined states in 1787 with powerful systemic metaphors of society emphasizing interdependence, mutuality, accommodation. Europeans were astounded by the absence of social solidarity and the presence of social order. American public style was typified by a raucous partisanship. Within a decade the combination of frequently contested election, exuberant party press and partisan politics had created the public sphere. Federalist elites were confined by the crass assertion of ordinary folk. In that context the newly created West Point occupied an important role in collaboration with the nascent middling classes.²⁴

By the 1820s differences between the North and South had hardened into a bitter, slow burning animosity. Southerners were mainly small farmers who did not engage in the tough bargaining so central to Yankee business. They used a biblical language to describe the rounds of work and recoiled from the crassness of Northern enterprise.²⁵ Initially masculinity involved ideals of honour and courage that were connected to duelling, but it was Southern society which continued to embody those ideals. Northerners changed the significance of work and invented new discourses about inventiveness, self-improvement, opportunity and self-improvement. They dramatized the connection between productivity and pride and rehabilitated wage labour. The Northern states were honeycombed with dispersed villages in which Northerners asserted piety and girded themselves for a struggle against the many sins. They read more books and taxed themselves to support schools, subscribe to newspapers and to use their time and money to engage in an array of self-improving projects. In the North religious and commercial developments were interwoven with a new manly type that celebrated sobriety, self-control, restraint and dignity. Northern piety led into strong reform movements. The market intensified and rewarded certain masculine personal traits: being alert for opportunities, self-interest, keeping promises, deferring pleasure, commercial imagination, the capacity to initiate trading relationships within minimal criteria and the development of distant communications. The discipline of the market was internalized. In the emotional economy of the North there was a strong reliance of internalized character traits to replace any deficiency in external monitoring. Adults had many options. In the American cities of the North the principal citizens were merchants or lawyers. In the North commercial expansion was regarded as the moral and material handmaiden of their liberal society.

The Second Great Awakening reshaped American Christianity creating a very significant and dense circuitry of meetings and notions of self-hood. There was a

striking accommodation between American Christianity and commercial enterprise. The free churches thrived on expanded choices, personal autonomy and ardent striving. There was a growing conviction that God's will could be read from the structure of the natural world and natural laws. This relocated the sources of religious authority and eased the acceptance of the fundamental premise of a free market. Churches increasingly emphasized that individuals could and should be regulated by internalized moral principles. The next step was to transfer God's future rewards and punishments after death into the human lifetime before death. Thus the secular concept of progress became fused with millennialism.

These Americans shaped commerce and conceived of politics in different ways to Europeans. They created new ideals about virtue and about character. In an almost unnoticed yet dramatically consequential way *America became the home base for many of the new occupations that shaped capitalist economic activity in the western world.* The widening scope of opportunities for the young distinguished the United States from everywhere else at that time. There were new jobs in many white collar areas: civil engineering, exploring, drawing, politics, school teaching, preaching, retailing, publishing as well as in manufacturing. Moreover, the democratization of suffrage influenced the structuring of masculinity. Female roles were equally but differently affected. Men and women faced and constructed new discourses about manners, status, merit, social position in a context of collapsing colonial hierarchies and the geographical scattering of family members. They mobilized voluntary societies and temperance movements.

The evolution of a commercial society forged powerful connections between political and economic freedom. Free enterprise economy played a crucial role. For the next half century the states of the Union took the lead in promoting economic developments. The states built infrastructures for transport (e.g. roads and canals), banking and bank rolling a variety of ventures. The states' economic actions formed a vortex for popular politics. This unloosed Yankee ingenuity and provided a safe place for European investments. Six technical changes²⁶ were established: the application of steam power, expansion of retailing, perfection of machine tools, use of corporations, proliferation of banks, and the rapid integration of surpluses from the new farms into the market and North Atlantic economy.

New careers made a tremendous impact by adding an anticipatory quality to American culture by orienting the new generation to the future. A spiral of new opportunities opened up in the economic and political spheres. The first generation had to construct their own role models and heroes. There was a normative framework of admiration for personal effort and for practical intelligence. Men accepted the unfolding capitalist culture. The anticipatory politics of the North had complex effects on the South. The North and South became ever more deeply divided.

1870s–1950s: Forging the Institutional Matrix of Enquiry

Post bellum American elites struggled to articulate a vision of America as a distinctive national community with an ideology of pluralism.²⁷ The competing and cooperating elites possessed two incomplete projects: the creation of continental scale industrial economy, and expanding the scope of their democratic institutions. However, by the mid-twentieth century American elites had positioned America for domestic and international hegemony in a global mass society. Americans believed that they, unlike the socialist and fascist states of Europe, had brought order into

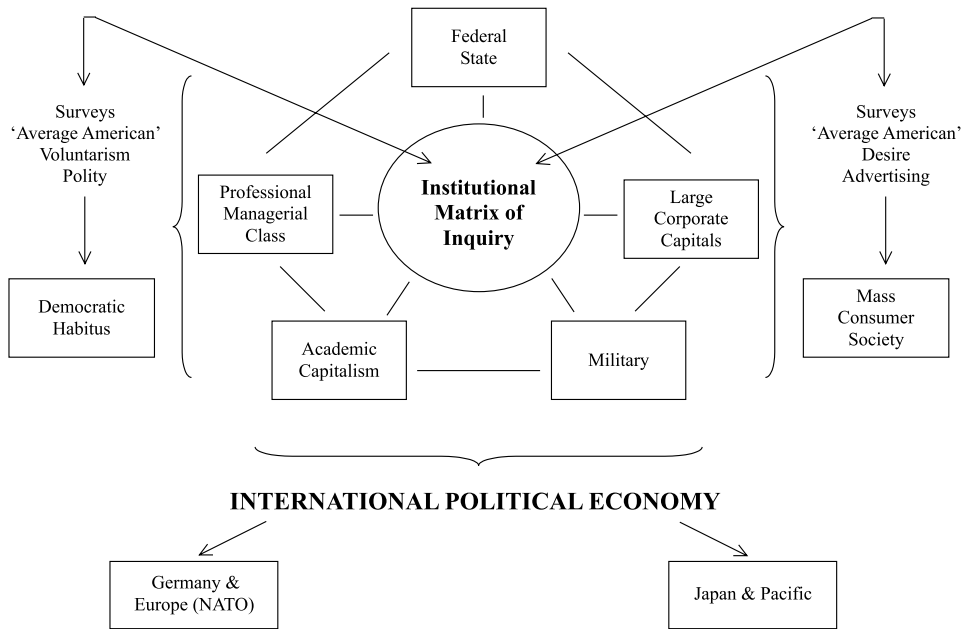


Figure 1

the potential chaos of a mass society. We should therefore separate the ideological construction of the American century from its actual execution in Pax America. I seek to express these claims in Figure 1. Its framework highlights American exceptionalism compared to Western European nation states.

American liberal elites sought to reinstate the centre as a lost idea about the nation's historical image rather than as a concrete place to be visited. It was an achievement riddled with inconsistency and the 'ultimate coherence of the liberal project' was 'the gift of history'.²⁸ The notion of the state is expressed through the concept of 'an *institutional matrix of enquiry*' as an animating principle. The new centre was an open arena *where competing interests enabled the power of new kinds of knowledge creation and novel forms of organizing the use of knowledge*.

Why and how did Americans shape the institutions of mass society and knowledge creation in the way they did?

Starting in the 1870s, after the Civil War, Americans began to create a vast institutional matrix of enquiry to turn knowledge of the physical world into advantages in the market and into military actions that challenged the position of Europe. The institutional matrix became a unique knowledge organization. The central matrix integrated science into the everyday economic life of the nation and although an arena of conflicts between elites it was flexible in articulating new areas of knowledge. It was a heterogeneous actor network whose networks contained obligatory points of passage that were strategically significant. The matrix enabled investigators from different fields of inquiry and diverse institutions to collaborate. Moreover, no single institution could succeed without the collaboration of some others. The simultaneous expansion of industrial and academic establishments boosted economic performance. This contrasted with the British system where scientists often operated in isolation from commerce. In America the universities created a contingent wide corporate network by training

the mechanical and electrical engineers that ran the railroads and factories. They also massively expanded the number of doctoral students and they were implicated in the vast growth of national professional associations. Firms were prevented by anti-trust legislation from further rationalization and they worked with industrial laboratories to compete on the basis of new products.

Soon there was no world parallel outside America to the vast institutional matrix of enquiry. Its emergence as a stratified social reality shaped the actions of its member institutes, provided templates for knowledge creation and enabled the careers of its heterogeneous members. Once established the matrix grew especially when the military were included. The career of Sperry²⁹ illustrates a common situation. In the First World War the military mobilized the matrix. That experience crystallized the military–university–industrial complex.

The institutional matrix of enquiry provided the arena within which new routines for problem solving were articulated and enrolled different nodes including producers, brokers and users of knowledge. They interacted to formulate theories and to design products. Although separate disciplinary elites and commercial interests competed they needed to enrol others in the matrix in order to pass through the obligatory points of passage. Thus new institutions of knowledge were created within which the practical use of knowledge was taken for granted. This unprecedented cognitive interdependence inhibited special, separatist agendas. When generals demanding new products faced professors and businessmen they reorganized the scientific language. The academics increasingly resorted to axiomatized propositions. These axiomatized propositions altered the existing normative connections between research and exposition. This created a cognitive crisis. Provisional knowledge displaced unitary systems and courses.³⁰ There are parallels with the Darwinian notion that scientific discovery is largely about invention by man of metaphors, analytic schemas, imagineering and devices that solve upcoming problems. Discovery is tightly articulated with action rather than being in the European form of the left-to-right, hierarchical relationship of the detached university to potential users.

Professional and managerial knowledge (see Figure 1) was one of the key mechanisms through which post bellum America was reconfigured. Professional knowledge was always legitimated by a professional association (e.g. American Society of Mechanical Engineers) and largely certified by the universities. These created a discourse in which scientific objectivity and professional expertise became the hegemonic discourse in consumption as well as in production.

In the period 1900–1920 American social scientists possessed a reformers belief in their capacity to rescue American society from chaos and to provide a good life through the translation of Christian beliefs into everyday practice. Therefore social problems could be solved. There was a crisis of views about how this might be undertaken between exponents of the scientific approach to social research and those espousing a social conscience. The many philanthropic foundations established by the wealthy industrialists shaped the role of reformers. These gave a powerful stimulus and shape to the emerging social sciences and drew the founding generations into the improvement of living conditions. The funding enrolled the measurement tendencies of social technologies evident in the survey movement. Second, by the 1920s a new generation of social scientists concluded that they lacked the understanding necessary to solve the problems the foundations had targeted. The issue was reformulated as one of social intelligence rather than simply descriptions derived from surveys. Key foundations and social actors

encouraged certain universities within the institutional matrix of inquiry to create new fields of research useful to creating the theoretical foundations of social intelligence. This meant formulating a different kind of theory for a usable social science. Social intelligence became a movement that was defined as the combination of understanding and mastery in dealing with problems. So the social sciences became deeply normative and modernist despite the pressures from the methods of the natural sciences. The theme of social intelligence was established in the institutional matrix during the 1920s. From that base there was a gradual evolution over the next generation into policy making.

The combination of the use of statistical distributions and the notion of the *average American* were fused to give an apparently concrete form to the abstractions of individuals and community used to define the mass society. In this way American social scientists translated statistical knowledge into methods of managing social aggregates from within the new institutions of mass society.³¹ Various kinds of averaging were socially defined by the professional social scientists as neutral categories of knowledge in a multicultural society. American culture became committed to excessive statistical objectivity and put their trust in numbers.³² This was social control on a grand scale, yet Americans did not consider this to be either antidemocratic or against free choice for the individual. Psychologists played a leading role with the development of measures and rules based on measured intelligence being used to structure entrance to positions in the military and in employment.

The discourse of the 'average American' was deployed in several key fields. The statistical tools of social control for the mass market were complemented by behaviourism as a method of manipulating desires and controlling instincts. They promoted the view that customers' responses could be largely determined. The average American was defined as middle class and advertising campaigns were increasingly targeted at the middle class consumer. The same tools were used to measure public opinion by using new methods of sampling. This was used to promote the theme of harmony amongst diversity within the mass society. Very soon market oriented, non-introspective psychology became a core and defining feature of America's reflexive capitalism. Americans came to accept devices such as the bell curve as means of distributing opportunities and of sanitizing social facts (e.g. poverty). They could predict electoral outcomes and sell products. In effect this was promoting the understanding of markets rather than individuals. The use of statistics to legitimate notions of the individual within the mass society drew critical rejection, primarily from European social scientists. Adorno refused to recognize American social engineering as the work of serious intellectuals and raised the issue of enforced conformity.

The habitus of social engineering increasingly identified the American as middle class at work and as consumers. Thus the economy was defined less and less in terms of the 'forces of production' and more and more in terms of consumption and life style. They were encouraged to think of *Embourgeoisement* rather than class solidarity. Being middle-class meant consuming the products of the mass market. Mass consumption became an American means of social cohesion. In practice gaining access to the market required many families to pool incomes in order to manifest their middle class credentials. Even so, the process of de-radicalizing class overpowered alternative visions.

American reflexive capitalism is distinctive because of the ability of American managers to put technological innovations to the service of the organizational revolution promoting mass consumption. In the 1920s Alfred Sloan introduced the

segmentation of the market through the discourse of a 'ladder of consumption' which discarded established class boundaries. This led to the refinement of analytic tools to understand the relationship between the distribution of income and the potential demand for automobiles (e.g. pyramid of demand). This was followed by heuristics such as making the consumer feel good about them, the attention to market expansion, targeting the fat middle of the ladder of consumption, and being realistic about the steps on the ladder. Social scientists developed indicators of class based on the consumption of items found in the living room as well as the style and location of the home. Lloyd Warner³³ developed a method of measurement that relied entirely on status conferred by consumption and totally ignored any relationship to employment power in the work situation. This gave marketing and advertising executives consumption tools to apprehend and quantify American society. In the post-1945 period there was an infusion of social science into marketing that addressed the problem of reconciling mass and class. After 1945 university-based scholars viewed market research as central to the pursuit of basic knowledge in the social sciences as in the studies of purchasing power. Market research explicated the role of middle-class women purchasers as the vanguard of capitalism.

After the Cold War

Figure 1 expresses the position at the start of the Cold War. During the Cold War the Chandlerian world view of management and knowledge was the main story in town. Apart from the French Regulation School there was slight analytical reflection on American business and its shaping of the evolution of knowledge. Instead the focus was upon Japan. Germany was somehow neglected. After the Cold War there was a growing interest in America's global hegemony.³⁴

In America the end of the Cold War signalled a new self-confidence about its leadership in the evolution of knowledge and innovation. However, 15 years later there is a renewed uncertainty.³⁵ Also, there is a growing community of researchers who are forensically scrutinizing the history of American corporate power and therefore its role in articulating, crystallizing and diffusing organizational knowledge *onto* the global economy. Recent revisionist histories of nineteenth century American business and knowledge making, like those by Roy, Perrow and Shen-hav,³⁶ have highlighted the exceptional position of the American corporation and its relationship to a uniquely powerful federal apparatus which is, unlike in North West European nations, tightly focused in its scope. These revisionist histories have implicitly exposed the unacknowledged world of global power hidden in Chandlerian grand narratives somewhat in the same manner as post-colonial studies of literature expose the colonial base underpinning the high life of English gentilefolk.

How does Ferguson examine and explain this new international political economy?

America: An Empire by Invitation and About to Stumble

The Oeuvre

Ferguson is one of small elite of British historians who are credible academics and significant television celebrities. He has moved his place of work from history at Oxford, England to the Stern Business School, New York, USA. He shortly moves onto Harvard. The highly mobile Ferguson is spending his working time in

America and has just published a hard hitting account of the rise and fall of the American empire which claims that Americans are in denial about their empire. Ferguson contends that short time horizons lie at the heart of the national cultural repertoire of America. Therefore America lacks the commitment to 'desirable' regime change of the political systems outside America. He has entered onto the analytic stage in America at a business school and made an impact on the transatlantic media as a public intellectual on the subject of empires. His key works until now have displayed a repertoire covering: the business history of a specific firm; an extensive and stimulating approach to counterfactuals; the analysis of national state histories as the balancing of revenue raising with maintaining political power; and most recently an examination of the role of powerful nations in the lives of less powerful nations that is both realist and also distinguishes between the desirable liberal empire from the undesirable oppressive empires. Ferguson is highly readable. *Virtual History* is close to the core of Ferguson's³⁷ kind of history. His oeuvre is to replace historical determinism by a more realistic, contingent and complex analysis of historical causes. He wants historians to see any given period in the past as it was seen by those who lived it, rather than by those who know how it came out. Perhaps it is because historians don't like to engage in idle speculation that this whole volume seems a little tentative. Ferguson justifies his idea in a long prologue that evokes chaos theory and other of-the-moment ideas. Most of the essays deal with aspects of British history. For example, what might have happened had there been no American Revolution? In contrast, *Cash Nexus*³⁸ is a tightly argued framework for examining the relationship between state power and its capacity to raise taxes. *Empire. How Britain Made the Modern World*³⁹ is a history of the British Empire which acknowledges Britain's awesome role in the North Atlantic slave trade (1662–1807) yet also claims that the British Empire has provided the world with the least bloody path to modernity. The towering achievements of the British Empire included four virtues: to have enhanced economic welfare by imposing free markets, the rule of law, investor protection, and relatively incorrupt governments. Christianity played an important role in the abolition of slavery and in addressing barbaric practices. The British idea of liberty introduced a 'self-liquidating' mechanism into some colonized states which made it hard to eventually deny political liberty. The Empire was underpinned by the biggest mass immigration in history through settlers, temporary bureaucrats and roving entrepreneurs who became significant bearers of British values. British actions stimulated the global bond market in which Britain was a net exporter of capital. The current book, *Colossus* contains a history of America from Independence to the post-Cold War decade.

Colossus. The Rise and Fall of the American Empire

Colossus. The Rise and Fall of the American Empire is a synthesis which locates America as a route maker and key shaper of the modern world. Ferguson demonstrates that Americans have taken different directions from the British Empire. There is also a television documentary that even his outright critics concede is cleverly constructed and thoughtfully illustrated. Ferguson's research programme offers tough love to the leftist critics of empires. He approves of their humanity whilst doubting that their dream of reality can ever be achieved. Indeed those dreams can become nightmares for the intended beneficiary. Ferguson's ontology does not promise a utopian future, but it does have a deep preoccupation with military action. If his analysis is in the right direction then the American Empire, the Colossus, which is

only liberal in about half of the necessary features, cannot and will not deliver global institutions that the earlier liberal empires seem to have bestowed. *Colossus* does join a long list of analysts of the world political economy who are prospecting American decline.

Ferguson frames four questions to provide the overall architecture of his argument. First, on balance are liberal empires like the British Empire good for the world? Second, is there an American Empire? Third, is an American Empire good for the world? Fourth, are there signs of America in decline?

First, what is a liberal empire? The liberal empire differs from tyranny, oligarchy and tyranny.⁴⁰ Liberal empire is defined as a democracy:

- possessing a metropolitan system that is democratic and whose economic system can be either based on the market or is mixed or planned;
- its self-interested objectives include taxation, rents, manpower, the treasure and raw materials;
- public goods are law, governance, education, health and conversion;
- methods of rule are through non-government agencies, firms and the delegation to local elites;
- beneficiaries are local elites and all inhabitants;
- social character is assimilative.

Liberal empires possess private property secure against tyranny and corruption. Their governmental institutions enforce the rights of contract and the rule of impersonal, publicly known laws through stability and responsiveness. These governments avoid excessive expenditure and inflation. The case for a liberal empire is that the political and economic benefits outweigh the sins.⁴¹ They reduce poverty and introduce political institutions. One exemplar is the British maritime empire.⁴² The British state engaged in a massive export of its well educated males who spent their lives abroad occupying key roles in the political institutions of colonies, thereby creating a political economy whose surpluses were intended to be London bound. Many of these men lived and died abroad. Ferguson maintains that this liberal process strengthened the political institutions of India and Egypt. This building of institutions cannot be done without support by other nation states. Even liberal empires have their limitations. Few ex-colonial African nations possess the features identified above. Ferguson observes that the American Empire is a liberal democracy and market economy. It has remarkably open citizenship, but there are illiberal aspects. There is a high level of state intervention. It 'conspicuously lacks a voracious appetite for territorial expansion overseas' and 'even when it conquers, it resists annexation'.⁴³ Ferguson prefers the concept of liberal empire to the usage of hegemony. However, his definition is close to what scholars sometimes refer to as a liberal hegemony in which the hegemon can act in the long term interests of the member states with a form of negotiated order.⁴⁴

Second, does America have an empire? The American denial of Empire and profession of anti-Imperialism is part of the symbolic construction of America.⁴⁵ Denial is politically convenient and Americans claim that theirs is the city of liberty on a hill prized free from the British in the glorious revolution whilst enabling the promotion of a very economical form of market relationship with the non-American world.⁴⁶ Although many, especially Americans, seem to be in denial Ferguson has no doubt that America was becoming an empire at its foundation and achieved an empire by around 1900. Ferguson contends that America did acquire an

empire. From the 1630s onward the American continent presented the colonists with unique possibilities for acquiring land by: taking over Indian land, by major purchases from Britain and France and by inexpensive small scale wars against its southern neighbours. These were driven less by the desire for conquest and more by the benefits from commercial growth. Hence the focus was more on defensive outworks along the central isthmus and into the off-shore island chain. America did not possess a navy of any size until after 1880. So, starting with less than 8% of the American land surface expansion occurred through purchase and conquest on the mainland and soon extended into the Pacific, Caribbean, Central America, South America and towards Asia. Tokyo Bay was prised open by military action in 1854. In many respects domestic America has followed the ideal development cycle postulated by Landes:⁴⁷ securing property rights to encourage economic activity; securing rights of personal liberty; enforcing rights of contract and providing honest, efficient, responsive government by publicly known rules. Moreover, Americans do intervene sharply in other nations to promote the interests of commerce and to secure the isolation of the homeland from invasion. The overseas strategies of empire building have usually commenced with initial military success followed by six phases of unravelling:⁴⁸ a flawed assessment of indigenous sentiment; attempting limited war and having to gradually escalate military commitments; domestic disillusion; dominance of domestic economic considerations and then some form of withdrawal.

The experience with Germany and Japan is exceptional (see Figure 1). Why? In the post-1945 world America faced the powerful military and material capacity of the USSR coupled with the threat of anti-capitalist socialist and Marxist state philosophies to hegemonic transaction costs. In that context from the 1950s American Imperialism invested in regime change for Germany and Japan for more than 30 years drawing them into the American orbit as fortresses along the frontier. Germany and Japan became key forts in the power struggle with the USSR and the global role of Marxist ideologies. Ferguson treats these occupations as rare examples of American success in building liberal institutions. The German success in building democracy was in part coincidental and in part a matter of enabling the re-establishment of previously existing democratic institutions and forms of government that enable economic success. Ferguson does mention that American social science and scientists (e.g. Parsons) were involved in the analysis of the 'German problem'. Japan was a more awkward yet equally critical issue for American foreign policy. The social science contribution was less convincing. The short rule of McArthur was closer to a western stereotype of Asian despotism than the German case. Ferguson accepts Dower's⁴⁹ contention that Japan-USA (JUSA) is largely about Japan embracing defeat. Both Germany and Japan were drawn into and benefited from access to the American market place.⁵⁰ Germany and Japan are both cases where American foreign policy was drawn into nation building following the format of the seven phase model, yet even so, the continued presence of American personnel was short lived. Moreover, on death Americans returned to America. Aside from these, two other interventions were mainly unsuccessful with Vietnam being the obvious example. Ferguson insightfully notes that 12 leading war films about Vietnam collectively grossed less than one third of the box office takings from *Star Wars*. He is less insightful in his notion that American military power was so great that some of these Asian wars could have been won outright. This ignores the massive developments in repertoires of contention by indigenous populations following Marxist tracts and practices in fighting colonial invaders.

The complex history of the French military in Vietnam suggests that they were less stupid than might be thought. The institutional networks surrounding the Vietcong General Giap were capable of innovatory variations and of editing its knowledge creation processes. A new kind of knowledge was being constructed in which resistance could undermine military occupation.

Ferguson implies that American foreign policy in the Cold War preferred to use the United Nations to construct a semi-empire.⁵¹ The UN is 'in large measure a creation of the US'.⁵² Although Ferguson contends that America could and should play a world role closer to that previously attributed to the British Empire he shows that American Imperialism is distinctive in its differences. Given that America has an empire according to Ferguson the question is therefore: is America capable of being a liberal empire? No. We are to conclude that America possessed an empire but it was not liberal.

Third, can America construct a successful liberal empire? Ferguson concludes not. His reasoning reveals problems in the earlier analysis of the British Empire and in both sides of the empire game. Americans, unlike the British, prefer indirect rule to direct rule and to consume rather than to conquer (see Figure 1). Therefore the apparent empire constructed during the Cold War is presented as an 'empire by invitation'. America is largely, not entirely, a liberal democracy with political feed-forward operating at the local, the state and the nation levels. The state apparatus is less about welfare than Western European nation states. That said there is a high level of state intervention. So, the market for American votes does not want its sons and daughters overseas being shot at and killed unless the President's team have orchestrated an extremely powerful media case: attacking the axis of evil.

Fourth, are there signs of America failing? At the moment America is the worlds' most powerful military nation with an annual expenditure that it can afford yet is greater than the next four major nations together. America has become a military colossus. Since 1986 the military has been re-organized to reflect geographical issues within the Cold War format. Hence the centrality of the Middle East as a strategic confrontation with the USSR. Even after November 1989, the military possessed the most flexible and extensive capacity to enter into national conflicts through high technology means. So the cost is not the problem.

Many American analysts claim that America is primarily a traditional nation state with colossal economic and cultural influence around the globe whilst also being a colossal military power.⁵³ American policy is about economic and cultural power through enticement and seduction. Hence Americans want to be at home consuming. They do not wish to spend long spells abroad in institution building. Moreover, their own social science analysis suggests that institution building can only work under certain limited circumstances.⁵⁴ Bobbitt⁵⁵ contends that the future ideal is for market states although he concedes that weak states are a problem.

There are problems and these may signal the fall of the American Colossus. Ferguson identifies three difficulties inherent in the American disposition. First, unlike the British Empire the American Empire is one of *debt* to overseas banks. The consumer driven economy has a black hole of debt based on foreign borrowing. The debt has ballooned from the Reagan period onward. So, the pension costs of the aging population threaten the economy. Aging populations require very expensive medical care for the last three years of their lives. This demographic theme is not unlike Todd's⁵⁶ earlier prognosis of the decline of Soviet power. Second, Americans are a *stay at home* people, few of whom have passports. Most

Americans, unlike the British Empire, do not wish to live abroad. Third, Americans have an *attention deficit*. Consequently military campaigns are always accompanied by a low commitment to the reconstruction of those states that have been the targets of American military intervention. American presidents are subjected to continuous polling pressures. The media is a pervasive mass distraction. In the accompanying video Ferguson states that the episodic character of American Football sustains the attention deficit.⁵⁷ Media spectacles encourage low commitments and undermine the capacity of Americans to engage in the regime change of targeted states. America is decadent and there is a lack of mental stamina. The attention deficit syndrome undermines the capacity of the American Imperial system to deliver similar goods in the world to the British Empire. The focus upon attention deficit fits well with the business rhetoric about short time horizons. Ferguson concludes that the economic foundation of America enabled by the market for votes has already created a mountain of debt that relies upon Asian capacities for saving. Moreover, the current and future cash nexus doesn't add up. The future is grim and the Colossus may well collapse.

Problems and Challenges

Ferguson's analysis of America has stimulated debate in the Anglo-American academies raising problems and challenges.

First, historical therapy and the proclamation that history matters should each be subjected to forensic scrutiny. If historians imply that their analytically constructed narratives go into the revelation of actionable knowledge for decision makers then they are right in the heartland of the global business school. However, in business schools the main tool for the analysis of the future is the construction of a portfolio of multiple, different scenarios not the consideration of a singular future. Moreover, historians do debate amongst themselves over whether they are satisfying the contrary pulls of antiquarianism and presentism. If they lean to the former then they consider that they can construct the life story of particular families in late seventeenth century Boston (MA) without being too influenced by the perspectives of today. Presentism is the sin of seeing the past through the present and possibly engaging in teleology. Ferguson has sought to position himself relative to this debate as indicated earlier, but only the first few chapters of *Colossus* are about the pre-1945 world. In the later chapters Ferguson's view of America is confusing because it draws attention away from the major achievement since 1945—the *long peace* between the major military powers.⁵⁸ Moreover, the United States does not view the world like the British Raj and doesn't need to deploy a colonial service. Its global political efforts have been grounded in the necessity to negotiate a form of order with the USSR. The military development of scenario writing was deliberately shared with the Soviet Union as a neo-rational form of calibrated confrontation. The Soviet Union, reluctantly or not, acquiesced. In return America was permitted to superimpose a form of liberal hegemony on Germany and more distantly upon Japan.⁵⁹ Germany and especially Japan were drawn into the American market place.⁶⁰ The nature of the market polity in Figure 1 suggests that the American people would not accept massive imperial occupations. Bringing home the dead from overseas whenever opportunity permits has been and still is a distinctly American way of life!

Second, even if Ferguson had discovered that America was more liberal and more willing to be a liberal empire, the context has changed greatly since the (so

called) liberal British Empire of the nineteenth century. In 1759 the British defeat of the French transformed the dependent position of colonial America. Likewise, after 1989 the danger to Western Europe posed by the USSR collapsed and was replaced by the progressive penetration of former Soviet satellites. This conjuncture was intertwined with and overlapped with the unfolding of the social technologies loosely labelled information capitalism.⁶¹ Hardt and Negri⁶² contend that these new technologies hurried and harried the collapse of disciplinary regimes and subjectivities associated with mass production generally and Soviet style control in particular. Modernization had come to an end. The new information infrastructure is embedded within and immanent to the new production process and cooperation is immanent in the labouring activity itself. This alters the relationship between the state and capital. Corporations gain autonomy. Hardt and Negri contend that the new pyramid of global constitution does have the United States at the top with global hegemony over the use of force, but that underneath that pinnacle command is distributed widely. At the pinnacle of the pyramid there is a close tie—at the moment—between trans-national corporations' capacity to organize markets and their reliance upon American power to enforce contracts. Beneath that fragile surface there is a churning for the multitude as they adapt to the new temporalities enabled by the new information infrastructures. If so, then the position of any liberal empire is hardly possible.

Third, Ferguson rejects, but does not fill the analytic vacuum created by deleting the perspective of hegemony and the well established literature on repertoires of contention.⁶³ Arrighi⁶⁴ has skilfully analysed the hegemonic dynamics of the British Empire and the different political economy of the USA. Hardt and Negri⁶⁵ contend that the phase of capitalist accumulation and commodification established by world markets is the attempt to impose process of hierarchization on a world that is unfolding and replete with hybrids. American corporations are knowledgeable collective actors in seeking to impose a more intensive form of capitalist accumulation with its quite distinct disciplinary subjectivities. Mann⁶⁶ observes that the repertoires of contention faced by British Imperialism are quite different to those deployed by insurgent groups today. The post-1945 colonial struggle against the old powers of Europe sharpened and honed the capacities of challengers. This undermines Ferguson's belief in *military power*. American military prowess is generally in the air—like its major sports—and has involved the carefully rehearsed delivery of destruction. The flight trajectories of highly charged missiles, irrespective of whether they are accompanied by humans, has been the major military thrust since 1940. Its long range military might and communications provides a distinct capacity to exercise one form of power at the peripheries. However, aside from the capacity to outflank military opponents in the Second World War and in Korea the performance of its armies has often been a problem for its generals. Indeed, the famous collection of studies of the American soldier was inspired by a spirit of enquiry about the amazing capacities of the German soldier.

Fourth, attention deficit figures large in Ferguson's analysis. This was also a familiar business school critique, especially by the Harvard-MIT community (e.g. Abernathy). However, the purpose of Figure 1 is to depict in stylized form the capacities to embrace modernity's disciplinary world and also move onto the post-modern forms of agency and control.⁶⁷ The well established variety of time-space-cost control systems crystallized and commoditized during the early years of the Cold War are being transformed by the galaxy of the Internet.⁶⁸ Attention

deficit requires careful scrutiny. In the documentary version of *Colossus*, Ferguson invokes the game of American Football as an exemplar, but American Football is a game of knowledge making in the old disciplinary format.⁶⁹ Its contemporary form is treated as an exemplar of knowledge management by Nonaka and Takeuchi.⁷⁰ My copy of *How to Watch a Football Game*⁷¹ contains an amazing number of categories of knowledge.⁷² Moreover, the computer tracking of young boys through pee-wee leagues and college into the professional game is hardly a case of attention deficit. The real issue is where the attention is focussed and with what consequences.

Finally, Daniel Bell⁷³ maintained that Europeans constantly misunderstand the different socio-historical experiences of American life. Three decades later Kagan declares that Europeans are luxuriating in American protected space. Ferguson does not retreat into that space. His is a robust and bold visitation from the old country to the American cousins. Yet, there are big problems and challenges.

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