

ONLINE PUBLICATION

HEGEMONY AND CURRENT GEOPOLITICS

March 2026

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ABSTRACT

This paper explains today's geopolitical situation using the concept of hegemony, understood as a mix of economic strength, military power, and the ability to gain acceptance from other states through shared benefits ("club goods"). It traces the historical development of global power, from British dominance in the 19th century to US leadership after 1945 and the brief unipolar moment after the Cold War. The paper argues that this phase is ending. The United States is in relative decline, while China has emerged as a major economic competitor without promoting a universal ideology. Although the West still dominates militarily, nuclear deterrence limits direct conflict, shifting competition into proxy wars and economic rivalry. The war in Ukraine highlights the dangers of nationalist geopolitics and ongoing hegemonic tensions. The paper warns against viewing conflict with China as inevitable and calls for a more pragmatic response to global power shifts. It concludes with reflections on Swiss neutrality and domestic political trade-offs.



This paper provides an overview of the historical development of the current geopolitical situation in order to clarify its characteristics.¹ The concept of hegemony is central to this. The ancient Greek word 'hegemon' means 'leader'. In political science, it refers to dominant states whose influence is primarily based on a combination of economic strength and military power and a recognizable willingness to use the latter. 'Geopolitics' refers to strategies for exercising power outside one's own territory, i.e. access to people, resources and markets. Hegemony is thus based on successful geopolitics. As the willingness to use military force is costly, hegemony requires those who are pro forma independent but actually dominated to accept it. In return, participation in so-called 'club goods' is offered.² These are primarily military security guarantees, but economic and cultural integration or participation can also play a role. Importantly, hegemony does not last forever, and when an emerging power threatens an established hegemon, danger of war looms. In the United States in particular, it is widely believed that there is no escape from the 'Thucydides trap', as the confrontation with China has already begun.³ How did this come about?

Hegemony from Antiquity to the Present Day

Since ancient times, history has recorded numerous regional and later global hegemonic powers, with the focus initially on the military protection of trade routes.⁴ The first truly global hegemony emerged after the Napoleonic Wars with Great Britain at the centre. It was the first industrialized country to supply the world with textiles and other industrial products. In return, it imported food. The Royal Navy secured the transport routes.

The 'Pax Britannica' lasted until the First World War, an imperialist war motivated by claims to land and colonies. The German Empire had challenged British hegemony at sea with a naval arms race, but the other major European powers also pursued imperialist aims. The world war began in the summer of 1914 after the catastrophic failure of international diplomacy. It ended in 1918, when the Central Powers had exhausted their resources. In accordance with the 'right of self-determination of peoples' proclaimed by United States President Wilson, the multi-ethnic Austro-Hungarian and Ottoman empires were broken up into 'nation states'. This turned minorities into majorities, and new minorities emerged in many places in the new nation states. It also marked the beginning of the 'ethnic cleansing' of the twentieth century, from the Greek-Turkish 'population exchange' in 1922 to the massacres during the Yugoslav wars of disintegration in the 1990s.

By the end of the First World War, the United States outproduced all other countries and became the new global hegemon. United States exports had risen dramatically, leading to a massive global debt to the United States, which was a decisive factor in the accompanying relocation of the financial centre of the global

economy from London to New York. Although the European victorious powers maintained their colonial ambitions, unlike the United States they had emerged from the war so weakened that the economic dominance of the United States was undisputed. Only the Soviet Union, which had established itself over most of the Russian Empire following the Bolshevik Revolution in 1917, stayed outside the hegemonial reach. As communist revolutions elsewhere had failed to materialize or had been crushed, the internationally ostracized Soviet Union under Stalin pursued a policy of 'socialism in one country' from 1926 onwards and became isolationist and repressive. The young Soviet Union hence made no hegemonic claims. The rise of the United States to global hegemon in the interwar period was preceded by expansion on the North American continent, the annexation of large parts of Mexico (1848), colonial rule over the Philippines (1898–1946) following a war against Spain and the 'Monroe doctrine', which amounted to the declaration of Latin America as the United States's exclusive sphere of interest.

The interwar period brought a brief period of recovery, but also hyperinflation, fascism and revanchism, and in the 1930s the worldwide Great Depression. The Second World War began with the German Reich's attack on Poland in 1939. The aim of the aggression was to achieve hegemony on the Eurasian continent. The German successes in the first years of the war encouraged Japan to pursue the conquest of large parts of Asia, which had already begun in 1931 with the invasion of Manchuria. Fascist Italy had conquered Abyssinia (now: Ethiopia) in 1935, intended as the first step towards a modern reincarnation of the Roman Empire. As in 1914, Germany and its allies were dependent on quick successes, as the resources available to the Allies far exceeded those of the Axis powers. In 1941, Germany and its European allies attacked the Soviet Union. When the advance to Moscow was halted in the winter, and with the entry of the United States in December 1941, the outcome of the war was sealed. However, the Allies still had to fight for victory until May 1945 in Europe and until August 1945 in the Pacific, when the aggressors were finally defeated.

Over the next four decades, large parts of the world were dominated by the two antagonistic 'superpowers', the United States and the Soviet Union. Soviet influence extended as far as the Red Army had advanced in May 1945, with the exception of Yugoslavia and Albania, which sought to find their own paths to 'socialism'. American hegemony extended across Western Europe and Latin America and included numerous fascist and despotic countries.

The Soviet occupation zone in eastern Germany achieved statehood in 1949 as the German Democratic Republic (GDR), and in the same year the Federal Republic of Germany (FRG) was formed from the American, British and French occupation zones. The GDR and FRG were quickly integrated into the Soviet and Atlantic hegemonic zones. Unlike after 1918, the victors did not attempt to keep Germany militarily weak. The GDR and FRG were rearmed as frontline states in the Cold War in the mid-1950s.

In the 1950s, the Soviet Union and China co-operated as informal allies. Later, dif-

ferences of opinion on Marxism-Leninism led to a rift, and cooperation ended in 1969. In Africa and parts of Asia, the remaining European colonies gained their independence from the 1950s to the 1970s, often after bitter wars. The 'non-aligned' countries outside the two large hegemonic zones were hardly united by anything; hegemony did not emanate from them.

The fact that the United States succeeded in producing atomic bombs before the end of the war became decisive for the period after 1945. Two of them were detonated over Hiroshima and Nagasaki in August 1945, and Japan surrendered just a few days later. However, the United States's nuclear weapons monopoly lasted only four years; the Soviet Union detonated its first atomic bomb in 1949, followed by Great Britain in 1953, France in 1960 and China in 1964. This did not render war as a political tool obsolete, but at least there has been no major direct confrontation between nuclear powers to this day. The battles of the Cold War (Korea, Vietnam, Afghanistan) took place on the periphery in proxy wars.

US hegemony was accompanied by a combination of supposed divine election and the awareness of having emerged as a democratic state from an anti-colonial war.⁵ According to this, United States hegemony is a 'mission' and not an ordinary expansion of economic dominance and military reach, but rather the propagation of 'values' of universal validity. This may be seen as a phoney justification of global ambitions, but its impact in the country itself and in many other parts of the world should not be underestimated. US hegemony was formalized through its dominant role in the NATO, the IMF, the GATT, the WTO and in the World Bank. In addition to the two usual pillars of geopolitical power — economic and military strength — the United States was also able to draw on 'soft power' like no hegemon before it: The appeal of the 'American way of life' found its way to every corner of the world through Hollywood and TV soap operas.

The antagonism between the United States and Soviet-led blocs continued until the latter began to disintegrate in 1989. The quiet departure of the governments that had claimed to rule over a 'real existing socialism' was greeted with enthusiasm in the West and by many of those directly affected. The United States found itself at the centre of a unipolar world and with a political and economic system that would henceforth serve as a model for the rest of the world. Apparently, history had proven that there was no alternative to capitalism, and with the final victory of the liberal market economy over the planned economy, free elections and parliamentary democracy, the 'end of history' (Fukuyama, 1992) seemed to have been reached.

In the United States, the euphoria of the 1990s was followed by severe disappointment. The terrorist attacks of September 2001 shattered the conviction of its invulnerability, and the subsequently declared 'war on terror', with its ill-conceived interventions, some of which violated international law, proved to be costly, sacrificial and unsuccessful from the US perspective. In the Middle East and North Africa, no Western-style democracies emerged, but rather a series of failed states. Since the chaotic withdrawal of NATO from Afghanistan in 2021, the Taliban

are once again exercising unrestricted violence, with catastrophic consequences, especially for women. Iran is still a theocratic dictatorship, with a nuclear bomb within reach and explicit intentions to destroy Israel. Following the terrorist attack on Israel in 2023 with 1,200 people killed and 250 taken as hostages, the Israeli army launched an even more devastating attack on Gaza that despite all agreements continues up to this day. It may already have claimed 80,000 lives. This devastating blood toll is not only damaging Israel's reputation in the world, but also that of its closest ally, the United States. The economic picture is also sobering. The global recession of 2008/9 was triggered by the bursting of a huge speculative bubble in the United States mortgage market. The increasing poverty and the decline of health status in the United States are obvious, the infrastructure is in need of maintenance, the budget deficit is chronic, as are the huge trade deficits, which since the 1990s have turned the United States from a creditor into the world's largest debtor. The persistent deficits would have already jeopardized the creditworthiness of any other country. It is only thanks to the privilege of being able to borrow in its own currency (still the world's largest reserve currency) that a currency crisis has not yet materialized. Last but not least, 'soft power' has also been damaged. The fact that Donald Trump, a notorious liar and egomaniac, not only held the highest office in the United States from 2017 to 2020, but was re-elected in 2024, has been watched by the rest of the world with bewilderment. Police violence, overcrowded prisons and a Supreme Court that restricts women's control over their bodies against the will of the majority of the population do not add to the lustre of America. In addition, the bizarre confrontations between the Democratic and the Republican parties regarding the so-called 'fiscal cliff' that have repeatedly threatened to trigger a fiscal contraction sizeable enough to drag the United States economy into recession, and the world economy along with it.

Hegemony and Competition

The hegemonic power of the United States has passed its peak, and global hegemony in the future will be shared. The emerging rival is China. The reforms of 1978 marked the beginning of an export-driven growth policy. The one-child policy freed up resources that would otherwise have had to be spent on childcare. The growing industry could then draw on hundreds of millions of potential labourers from rural areas. Record levels of investment massively expanded China's productive capacity. In 2013, the 'New Silk Road' was initiated, a huge investment project in the transport infrastructure of Eurasia and Africa, designed to deepen China's integration with these regions. The geopolitical impact is already undeniable. From 1978 to 2024, China's economic output increased by a factor of 50, that of the United States by a factor of 3.3. In 2024, China's GDP amounted to 81.5 per cent of that of the United States, but adjusted for purchasing power, China's GDP has already surpassed that of the United States in 2016. Economic prosperity, measured by purchasing power-adjusted per capita income, has been above the global average since 2020.

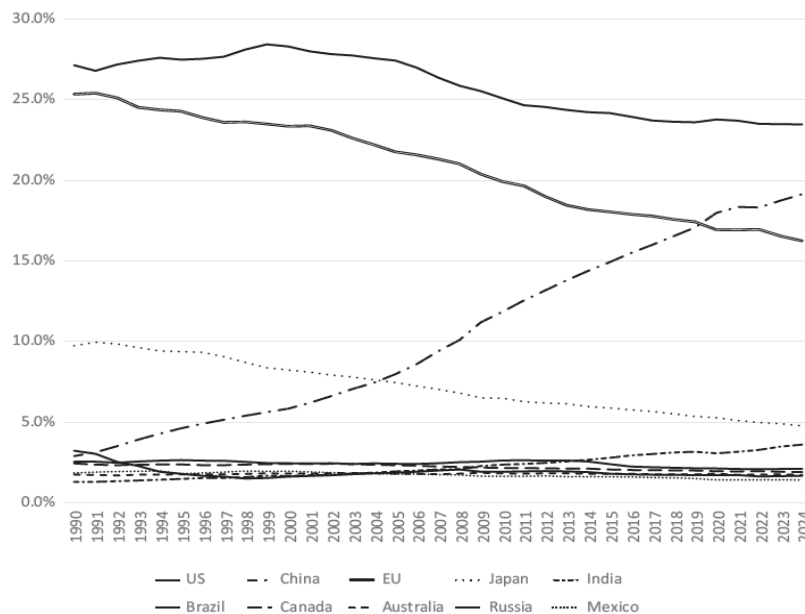
The EU and the countries associated with it in Europe are still an economic heavyweight, but a declining one, and global military hegemony does not emanate

from Europe. The military is nationalized and largely integrated into NATO, in which the United States play a leading role. France and the UK have nuclear weapons, but these are probably mainly to maintain a symbolic sense of great-power status. Unlike the United States, Europe also lacks a collective sense of mission. France is attached to the 'Francophone world' and endeavours to maintain close relations with its former African colonies. 'Brexit' gave many supporters the illusion that the UK might regain its former global standing. Germany's imperial spirit has disappeared for the time being after two lost wars. Europe's hegemonic aspirations are now economic and mostly focused on the European continent. In line with this, after the end of the Soviet Union, they have gradually extended toward the Russian border, a factor that has contributed to the current situation in Ukraine.

Only a few countries on the periphery exercise anything like hegemonic power. Among the BRICS (Brazil, Russia, India, China and South Africa), apart from the rising global hegemon China, regional hegemony is claimed by Russia in Central Asia and the Eastern Slavic states of Belarus and Ukraine; to some extent by India in South Asia; by Brazil in South America and by South Africa in the sub-Saharan region, but these countries do not exercise global ambitions. In the South Pacific, Australia is trying to establish regional hegemony as a junior partner to the United States.

A look at GDP provides an insight into the extent of the economic underpinning of hegemony. Figure 1 shows the shares in global GDP of the ten largest economies (EU combined) in 2024 (constant 2015 US\$) from 1990 to 2024.

Figure 1: Shares in world GDP, 1990-2024, per cent



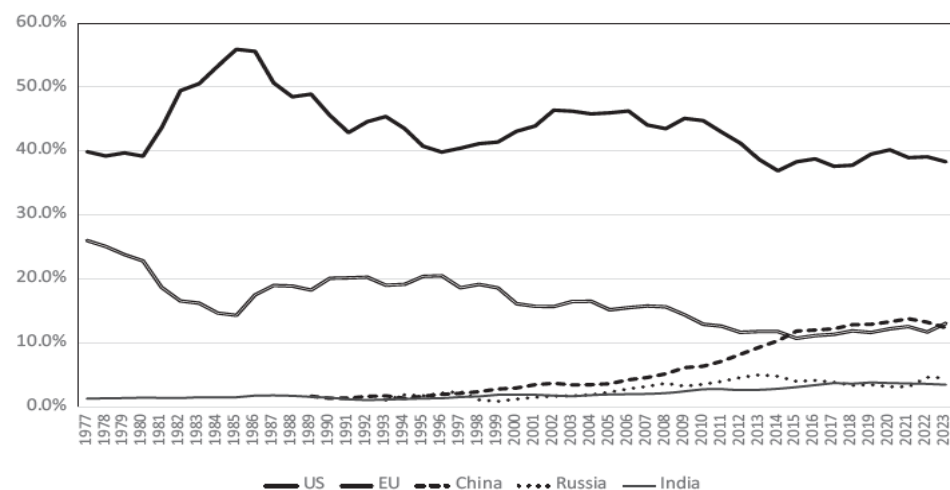
Source: World Development Indicators

The United States's share fell from 30.8 per cent in 1990 to 23.5 per cent in 2024. The relative loss of importance for the entire Western camp is even more pronounced, as the EU's share fell from 27.8 per cent to 16.2 per cent. Japan, which a

few decades ago was still seen as a rising rival for global hegemony, recorded its maximum share of 10.0 per cent in 1991 and has more than halved it since then. Among the emerging economies, India has since 1990 nearly tripled its share of global GDP, but at 3.6, it is still lightweight from a global perspective. The clear outlier is China. In 1960, then the world's most populous country, had a vanishingly small share of 1.5 per cent of global GDP. After the reforms of 1978, it began to rise gradually but steadily. The increase accelerated in the 1990s. As early as 1991, China's economic output surpassed that of Russia, in 2005 that of Japan and in 2020 that of the EU, reaching second place with 18 per cent. In 2024, it stands at 19.1 per cent. If the trends continue, which all signs point to, the Chinese economy is likely to be the world's largest within a decade. Trade wars, technology embargoes, boycotts and other measures by the United States and its allies can delay but not prevent this. Of the BRICS countries, only China, India, Brazil and Russia are among the top ten in 2024, while Canada, Australia and Mexico have shares between 1.9 and 1.4 per cent. Russia is still the ninth largest economy in 2024 with a share of 1.7 per cent, but a declining one; in 1989, the share for the Russian Soviet Republic was still estimated at 3.4 per cent.

The West's endeavours to cause lasting damage to the Russian economy in response to the war in Ukraine are therefore coming up against an already extremely weakened antagonist whose geopolitical significance is based practically solely on its fossil fuel wealth. Moreover, as Lachmann (2023) points out, this should become less important as a pillar of hegemonic power, as the global economy makes the transition to sustainable energy. In the case of Russia, this is likely to be particularly noticeable, but the United States and the Middle East will also be affected.

Figure 2: Shares in world military expenditure, 1977-2023, per cent



Source: World Development Indicators

The second pillar of hegemonic influence is military power. With its network of bases and fleets on all oceans, the United States is second to none, but the multi-billion dollar increases in military spending agreed by practically the entire Western camp just days after the Russian invasion of Ukraine on 20 February 2022, and the

2025 NATO commitment to 5 per cent of GDP as the new target for its members could suggest that there is a need to catch up. It is therefore worth taking another look at the data. Figure 2 shows the shares of the five countries (EU combined) with the highest military expenditure in 2023.

US military spending by far outstrips that of all other countries. During the last 50 years, the United States's share of global spending was never below 37 per cent. In the mid-1980s, when the United States forced the Soviet Union into an arms race, it peaked at 56 per cent, after which it fluctuated between 40 and 46 per cent. Together with the EU, Japan, South Korea and Australia, the Western camp had a share peaking at more than 82 per cent during the Cold War; in the last ten years, the joint share has been close to 60 per cent. The United States and its closest allies therefore spend far more on the military than the rest of the world combined.

China also stands out here, accounting for 12.4 per cent of global military spending in 2023. Until the mid-1990s, the share was still below 2 per cent. China's ambitions to demonstrate its global military weight are therefore recognizable, but it is also clear that China would not stand a chance in a conventional war of attrition against the West. This applies all the more to Russia. A military dwarf with 1.1 per cent in 1993, it had increased its share to 5.0 per cent by 2013 but has already fallen back to 4.6 per cent by 2023.

The need for rearmament declared in the NATO countries in view of the Russian invasion of Ukraine cannot be justified by these figures. Assuming that relative military spending is a reflection of military power, since the conflict with Ukraine escalated in 2014, Russia was always 12 to 19 times weaker militarily than the Western camp. In addition, the question arises as to the benefit of the planned increases in military expenditure, as Russia's military aggression in 2022 was not prevented by the West's enormous superiority at that time. As in the Cold War, the geopolitical room for manoeuvre is limited by the deterrent effect of nuclear arsenals. As before, a direct military confrontation between the established major nuclear powers – the United States, Russia, China, France or the UK – harbours an incalculable risk, allowing them to engage relatively safely only in local military operations or proxy wars.⁶

The Geopolitical Situation in 2026

The current geopolitical situation is characterized by the relative economic loss of importance of the twentieth-century hegemon and its allies, and the rise of its new rival, China. Unlike before, however, the new rival is not an ideological antagonist but a major economic power that is competing with the West for global influence – access to human labour, resources and markets. China's geopolitical independence and export-driven growth may serve as a model for countries of the periphery. At the same time, 'Chinese-style socialism' is certainly not 'missionary'. It attempts to rationalize the coexistence of an unleashed private sector with a still significant state sector, a one-party system with a party that calls itself

'communist', and 'Chinese traditions'. This is not an ideology that aims for global recognition or reach. China's hegemonic ambitions are geopolitical and, like those of all other major powers without a particular sense of mission, an expression of ordinary economic rivalry.

Of the empires that fell during the twentieth century, two are attempting a renaissance. 'Brexit' was supposed to restore Britain's economic global standing, but this has so far proved to be a complete illusion. Tsarist imperialism had created a multi-ethnic empire which, after 1917, continued to exist practically within the old borders in the Union of Soviet Republics. After the end of the Soviet Union, all 15 declared their independence. Most of the former Soviet republics and Cold War states turned to the West economically and militarily. By 2004, the former GDR, Poland, the Czech Republic, Slovakia, Hungary, Bulgaria, Slovenia, Estonia, Latvia, Lithuania and Romania had joined NATO. The Russian enclave of Kaliningrad is thus surrounded by NATO countries, and Estonia and Latvia border Russia to the north. However, Belarus and Ukraine lie between the long Russian border to the Black Sea in the south and NATO. The latter are the only Slavic-speaking states of the former Soviet republics apart from Russia, and Russia's last geopolitical 'red line' runs recognizably along their western border.

Since 1992, and increasingly since 2014, there have been ongoing internal Ukrainian disputes over the status of Crimea, the eastern territories, the role of the Russian language and Ukraine's economic and military orientation, with NATO membership becoming an increasingly realistic option, and with the West actively taking sides. Russia's new imperialism, on the other hand, apparently aims at an Eastern Slavic-Orthodox unity based on ethno-linguistic, religious and historical similarities and, not least, at the integration of the Russian, Belarusian and Ukrainian economic areas.

Geopolitics on a nationalistic and religious basis also follow imaginary realities.⁷ This makes them potentially irrational and unpredictable, as demonstrated by Russia's attack on Ukraine in February 2022, which was obviously based on a completely unrealistic assessment of the prospects of success. The attempt to take Kiev by surprise with the aim of installing a pro-Russian government failed. The Russian army then established itself in eastern Ukraine. Since then, a war of attrition of medium intensity has been waged. The second miscalculation was the unexpected willingness of the West to provide massive support to Ukraine, logistically and with military material including artillery, tanks and fighter aircraft. In view of the West's massive superiority in conventional armaments, a Russian victory in the war of attrition is impossible as long as Western support continues, and Ukrainian troops are still alive and willing to continue fighting. A Ukrainian victory with Russia's complete withdrawal from eastern Ukraine and Crimea is politically hardly conceivable, as this would force a nuclear power to give up territories that have de facto belonged to Russia since 2014.

It is currently impossible to predict when and on what basis a ceasefire and peace negotiations can take place. On the Western side, the explicit intention is to dama-

ge Russia's economic and military potential as much as possible and thus weaken the country permanently. However, as this affects a hegemon that is already well down from the heights, the geopolitical calculation is probably primarily to set an example that expansion and military intervention against the will of the leading Western power will not be tolerated. This is also a signal to China to hold back in the South China Sea and refrain from intervening in Taiwan.

The foreseeable consequences of the war in Ukraine are catastrophic. Loss of life, injuries, excesses of violence against civilians in the shadow of the fighting and massive damage to buildings and infrastructure in Ukraine. The relationship between people who see themselves as Russian and Ukrainian will remain poisoned for a long time to come.

The East Slavic unification envisaged by Russia will not materialize in the foreseeable future, and NATO is experiencing an unexpected increase in importance. Finland and Sweden have joined NATO in 2023 and 2024, and commitment in the Western camp to go to war with Russia has been considerably strengthened.

The current rise in global defence spending is increasing the economic and political importance of the military-industrial complex. Funds that would be urgently needed in the fight against global warming and species extinction are now being invested – at the explicit and direct cost of human health and lives – in unproductive killing machinery. The resulting depletion of resources and the massive CO2 emissions are an externality, which is massive, but excluded from negotiations on the carbon budgets.

Can the United States Escape the Thucydides Trap?

War between the United States and China is not inevitable. History is not predetermined. It is made by people, which, under the prevailing conditions, means by the ruling elites. But this is precisely why a tragedy could occur. Like the 'sleepwalkers' of 1914, who led the world into the completely senseless catastrophe of the First World War through a combination of militarism, grandstanding and incompetence (Clark, 2012), politicians and opinion-makers in the West are increasingly claiming that a confrontation with China is inevitable (Behrens, 2021). The risk that a direct confrontation between Chinese and US military forces could result from disputes over uninhabited islands, territorial waters or rights of maritime passage in the South China Sea or from China's non-recognition of Taiwan's sovereignty increases with the extent of the bellicose rhetoric and the depth of the conviction that the rivalry with China is not ordinary geopolitical competition, but the expression of a contest of 'values'.

In the United States, looking at its relative loss of importance without resentment would mean acknowledging the end of the idea of the chosen country. Also, it would be important to understand that the global economy is not a zero-sum game. A country may defend its *relative* position by keeping others down, but in real terms, it is likely to inflict damage not only on its adversaries, but also on itself.

Hence, a relaxed attitude towards the rise of the new economic giant in the Far East would benefit all sides. Unfortunately, the ultimate aim of Donald Trump's second presidency is obviously to defend US hegemony by all means. From the claim on Greenland to the military operation in Venezuela and the recent air strikes against targets in Iran, the unscrupulous use of violence wherever it is thought to serve US interests, the grandstanding, the accusations and intimidations as well as the complete absence of any justification for these actions resorting to international law, human rights, "Western values", democracy or whatever had been brought forward in the past – all is indicating that the tumbling giant is going berserk.

How does this relate to Switzerland?

Since the Congress of Vienna, Switzerland has the status of a 'neutral' state. This helped it to stay aside during the devastating world wars of the twentieth century, even if in economic terms, it had joined the side of the axis powers. Completely encircled by them after the German occupation of Vichy France in November 1942, it had no access to other neutral states, let alone the allied powers for its merchandise trade, it may be argued that it had no other choice; yet, after May 1945 it took some effort to convince the allies that cooperation with Germany had been restricted to a minimum to ensure survival. The dark side of collaboration has haunted Switzerland ever since.

After 1945, even if neutrality remained the official position, Switzerland's anti-communist ruling classes did not hesitate to join the anti-Soviet western camp in practical terms, which to some degree appeased the critics of its behaviour from 1939–41. After the end of the Cold War, the new geopolitical tensions after the escalation of the Russia–Ukraine conflict in February 2022, the question of how to define neutrality is back on the political agenda in Switzerland. A consensus is emerging comprising most of the political moderate left and centre, that neutrality does not rule out to take sides in 'just' wars, which includes economic sanctions, embargoes and delivery of armaments. This is seen by many in this coalition to apply to the Russia–Ukraine war. In the case of Israel/Palestine, Venezuela and – most recently – Iran, the government has so far been reluctant to take sides, and the pro-Ukraine coalition is keeping a low profile regarding those other conflicts. The organized right-wing and a minority on the far left argue that Switzerland should refrain from taking sides. The far right wants to keep Switzerland from associating with NATO, which is seen as a first step toward EU membership, and in addition, it is against trade disruptions imposed by geopolitics (and the profit reductions that go along with them). On the far left, it is argued that there is no point taking sides in imperialist wars. Be this as it may, the Swiss electorate is going to decide whether neutrality should be understood in this last and strict sense ('Neutralitätsinitiative') shortly.

Apart from these considerations on Switzerland's position in a world, where hegemony and geopolitics have turned increasingly belligerent, it is important to realize that the present discussions on the alleged fiscal imbalance of the federation

and the resulting need for austerity to a large degree starts from the assumption that there is no alternative to massive increases in spending for the military and armaments. For people who – unlike some right-wing ‘patriots’ – do not derive direct pleasure from living in a county with a powerful army, the starting point for criticism of the austerity measures now discussed and to be implemented in 2027 is to question whether the additional billions for the military will deliver more ‘security’ for ordinary inhabitants of Switzerland. Given that in the present mindset – which as we are told, is without alternative – the additional military spending is supposed to be coming from cuts to social support for the needy, education, health services and last but not least environmental and climate change related expenses, this will result in massive redistribution from the bottom to the top: the cuts will practically exclusively reduce the provision of public goods, on which the economically less well-off depend much more than people living in affluence. And whatever the military usefulness or waste of the armaments race, the winners are the shareholder of the armaments industry and the other stakeholders of the ‘military-industrial complex’.

A final remark concerns the alleged inevitability of spending cuts, once it is agreed that the military (or whatever) will need many additional billions in the years to come. This inevitability has now been repeated so many times by the political mainstream in Berne that they may hope it is now accepted as an undeniable truth. However, this rests on two further assumptions: first, that it is impossible, not advisable or simply not in the public interest – which in reality is the interest of the ruling classes – to increase or impose new taxes, and second, that the same holds for a reconsideration of the federal ‘debt brake’, which makes it impossible to fund the desired increases in military spending by corresponding increases in government debt. As soon as only one of the three assumptions (we must spend more; we cannot tax more; we cannot borrow more) is found to be questionable, the 2027 austerity plans are no longer an inevitability, but part of a consistent right-wing political approach in the interest of the economic elites.

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- 1 An earlier version of this text was published as Appendix 2 to Chapter 23 in Graff et al. (2026).
 - 2 See, for example, Nesmarshnyi (2023). The economic jargon is typical of current political science.
 - 3 For an elaboration, see Lachmann (2023). Key references for the 'Thucydides Trap' are Gilpin (1988) and Allison (2017).
 - 4 See Bernstein (2008). Sumer (2900-2400 BCE) was the first. Other important regional hegemonic powers were Egypt until the conquest by Rome (30 BCE), the Roman Empire until the year 476, the Eastern Roman Empire until the conquest of Constantinople by the Ottomans (1453), the Muslim 'free trade zone' (seventh to eleventh centuries), the collective hegemony of the Hanseatic League in the twelfth century, the Mongol Empire (thirteenth to fourteenth centuries), Venice and other Italian city states (eleventh to fifteenth centuries). Before 1492, the Maya, the Incas and the Aztecs were important regional hegemonic powers on the American double continent. In the Far East, the Han dynasty ruled from 206 BCE to 220 CE, and the Ming dynasty (1368–1644) even operated as a naval power in the Indian Ocean in the early fifteenth century. From the sixteenth century onwards, Portugal, Spain and the Netherlands took over as hegemonic powers.
 - 5 For an elaboration, see Schröder (2022).
 - 6 For the new nuclear powers India and Pakistan, the need for bilateral deterrence is likely to be dominant, for Israel the fear of annihilation by its neighbours and Iran, and for North Korea nuclear weapons are the life insurance in the conflict with South Korea and its Western allies. Hegemonic ambitions are not expressed by these countries.
 - 7 For detailed studies of nation building, geopolitics and hegemony, refer to Clark (2012), Hobsbawm and Terence (2012), Schröder (2022) and Lachmann (2023).