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The USA: Challenges of the Superpower

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Since the collapse of the Soviet Union function and mission of the United States in the contemporary world system is one of the most debatable problems of academic literature. This article is an attempt to analyze most recent socioeconomic and political tendencies of the USA for better understanding the scale of ongoing transformation of the society. As the level of integration of contemporary world is very high, transformation of the USA provokes tectonic changes and transformation of the world system, its structure and nature. This study argues that, although the US primacy in the world is significantly challenged and shaken by external and internal factors, the USA still preserves its traditional function of economic, financial, military and political superpower, but in a quite different environment. The article predominantly uses materials drawn from the Central Intelligence Agency (CIA, The World Fact book 2012); U.S. Census Bureau, Statistical Abstract of the USA - 2012, the US Federal Budgets 2010-2012, and other valuable literature and sources.

Keywords: the USA, superpower, the U.S. socioeconomic development, the U.S. challenges, the U.S. achievements and failure.

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Introduction

Since the collapse of the Soviet Union among diversity of problems central for American Studies and International Relations scholars and experts are questions: Is the world system unocentric or polycentric? What's the US new role and mission in the new millennium? With appearance new economic powers is America able to preserve its leading positions in the world? But central in this discourse remains the question: How powerful, reliable and effective is the US internal political, economic and social system for further burdening the role of the superpower and hegemonic positions in the world?

American historiography is quite diverse and contradictory over the role of the USA in the changing world. There are three major schools of thought: primacy, isolationism and selective engagement¹, which give quite different estimations of the US status in the world. Primacy school is oriented on exceptional role of the USA as a sole superpower in the world. Isolationists sharply criticize primacy school. In the country's drawbacks they see the end of American hegemony. Selective engagement school is a compromise between primacy and isolationism schools and submits that the USA should possess only sufficient strength to defend the centers of economic might in the world, principally Europe and north-east Asia.²

Advocates of primacy school assent that the USA is the major power in international politics and keeps its preponderant position by maintaining and expanding its military and economic strength.³ In 1999 Samuel P. Huntington estimated the USA as "the sole state with preeminence in every domain of power - economic, military, diplomatic, ideological, technological, and cultural - with the reach and capabilities to promote its interests in virtually every part of the world."⁴ Scholars today continue to estimate the USA as a global superpower, which has "no equal".⁵ The main argument is that U.S. capabilities are so overwhelming that other states

1. Christopher Layne and Bradley A. Thayer, *American Empire, A Debate*, New York: Rutledge, 2007, p. 3, <http://www.amazon.com/American-Empire-Debate-Christopher-Layne/dp/0415952042> (Accessed 8 March 2012).
2. Ibid.
3. Ibid.
4. Huntington, Samuel P., "The Lonely Superpower, The New Dimension of Power", *Foreign Affairs*, Mar/Apr 1999, Vol. 78, Issue 2, http://homepages.stmartin.edu/Fac_Staff/rliangill/PLS%20300/The%20Lonely%20Superpower.htm (Accessed 3 October 2011).
5. Barbara A. Bardes et al, *American Government and Politics Today: The Essentials 2011-2012*, Boston: Wadsworth, 2012, p. 513; Gary Dorrien, *Imperial Designs: Neoconservatism and the New Pax Americana*, New York, Routledge, 2004. p.1.



cannot realistically hope to balance against it, nor do they have reason to because U.S. hegemony is benevolent⁶, and it can maintain its preeminence into the deep of the 21 century.

Proponents of isolationism give just opposite vision of problems. They argue that the United States should devote more resources to domestic social problems and withdraw from involvement in international politics, as the American Empire has very high economic costs and weakens democracy at home.⁷ Isolationists believe that attempts to provide democracy abroad (especially in the Middle East) rests on dubious assumptions, leading to unnecessary American military interventions abroad, a geopolitical backlash and to the decline of the USA.⁸ Critics of U.S. primacy or "imperialism" assumed that the pursuit of geopolitical militarism and further consolidation of the war system reinforces a crisis of empire, bringing "devastation of an imperial policy in an era of waning hegemony"⁹.

In early 1990s Waltzian balance of power realists believed that the days of U.S. primacy were numbered.¹⁰ Kenneth N. Waltz and Christopher Layne predicted that unipolarity would quickly give way to multipolarity by stimulating the rise of new great powers.¹¹ In 1989 Yale historian Paul Kennedy predicted inevitable decline of the Soviet Union (but not so soon) as well as the USA and the rise of China, Japan and Europe (European Economic Community). He saw the cause of the general decline of any Great Power in sustaining military expenditures on expense of continued deficit spending. He proposed that the U.S. growing military expenditures, coincided with its military commitment to every continent, would outsource the domestic spending, provoking heavier taxes, limited options and "the downward spiral of slower growth" of the country.¹² Boggs argues that militarism with its extravagant expenditures "has become so en-

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6. Stephen Brooks and William C. Wohlforth, "American Primacy in Perspective", *Foreign Affairs*, Vol. 81, No. 4 (July/August), 2002, pp. 20–33; Gary Dorrien, *Imperial Designs: Neoconservatism and the New Pax Americana*, New York, Routledge, 2004. Jhon Ikenberry, "Liberalism and empire: logics of order in the American Unipolar Age", *Review of International Studies*, 30(4), 2004 (a), pp.609–630; G. Jhon Ikenberry, "Liberal hegemony or empire? American Power in the Age of Unipolarity" in D. Held and M. Koenig-Archibugi (eds), *American Power in the 21st Century*, Cambridge: Polity Press, 2004 (b), pp. 83–113; Jhon Ikenberry, "Power and liberal order: America's Postwar World Order in Transition", *International Relations of the Asia-Pacific* Volume 5, 2005, pp. 133–152; Christopher Layne and Bradley A. Thayer, *American Empire, A Debate*, New York: Rutledge, 2007, p. 3, <http://www.amazon.com/American-Empire-Debate-Christopher-Layne/dp/0415952042> (Accessed 8 March 2012).
 7. Christopher Layne and Bradley A. Thayer, *American Empire, A Debate*, New York: Rutledge, 2007, p. 3, <http://www.amazon.com/American-Empire-Debate-Christopher-Layne/dp/0415952042> (Accessed 8 March 2012); The Stephen Delos Wilson, *The Bankruptcy of America. How the boom of the 80's became the Bust of the 90's. From Superpower to Besieged Global Power*, Ridge Mills Press, Germantown, 1992.
 8. Christopher Layne, "The Unipolar Illusion: Why New Great Powers Will Rise," *International Security*, Vol. 17, No. 4 (Spring), 1993, p.8.
 9. Carl Boggs, *Imperial Delusions: American Militarism and Endless War*, Lanham, Rowman & Littlefield, 2005, pp. 207, 11, 14.
 10. Kenneth N. Waltz, "Structural Realism after the Cold War," *International Security*, Vol. 25, No. 1
 11. Christopher Layne, "The Unipolar Illusion: Why New Great Powers Will Rise," *International Security*, Vol. 17, No. 4 (Spring), 1993, pp. 5–51; Kenneth N. Waltz, "The Emerging Structure of International Politics," *International Security*, Vol. 18, No. 2, (Fall), 1994, pp. 44–79.
 12. Kennedy, Paul, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict From 1500 to 2000*, New York: Vintage Books, 1987, p. XV, 533–535, 432, 245. Stephen Delos Wilson, *The Bankruptcy of America. How the boom of the 80's became the Bust of the 90's*. Ridge Mills Press, Germantown, 1992; *From Superpower to Besieged Global Power: Restoring World Order after the Failure of the Bush Doctrine (Studies in Security and International Affairs)*, (eds.) Edward Kolodiej and Roger Kanet, University of Georgia Press, 2008.



democratic to American society that it will be very difficult to reverse.”¹³ Professor Francis Shor concludes that US efforts to retain global dominance and hegemony through the pursuit of war and its attendant geopolitical military strategies is “foolish and lethal”.¹⁴

Andy Hoffman in 2009 named even exact dates and events, when America has lost its premise: “the U.S. has lost essentially ALL of its superpower status in 2009. The first of the two events was the Vietnam War in 1965 (and the consequential end of the gold standard in 1971), and the second was September 11th, 2001”.¹⁵ Hoffman holds that the U.S. hegemony was significant and real, but “for just a very brief period in the annals of history. It is nearly gone”.¹⁶

More balanced position on the US world hegemony is expressed in the National Intelligence Council’s Global Trends 2025, where is indicated: “Although the United States is likely to remain the single most powerful actor, the United States’ relative strength—even in the military realm—will decline and US leverage will become more constrained.”¹⁷

It is obvious that American literature is diversified with ample of intellectual discourse about ongoing processes within and outside of the USA. This article is an attempt to trace and analyze fundamental changes ongoing inside the U.S. society, the most recent and the most significant socioeconomic and political trends, which directly influence on daily life of Americans as well as on the world economy and politics.

Through inductive and deductive principles of analyses are traced most significant achievements as well as minuses of American system of government. This research demonstrates that the USA is on a qualitative new level of its development, but needs transformation of its policy and politics for providing effective economy, finances and stable and harmonious development of social relations.

The article is organized in main three parts. **First part** gives general characteristics and overview of America since 11 September 2001 and tries to explain reasons of US domestic and world economic crises. **Second part** demonstrates most tangible achievements of the USA, the world superpower, especially in economy, which explains well, why the world economy is so tightly depended on the US economy and politics. **A third part** is dedicated to most urgent and most burning problems that confront the country in economy, showing how detrimental are ongoing beneath processes for social relations, provoking quite pessimistic sentiments and a protest movements in the U.S. society. The article predominantly uses materials drawn from the Central Intelligence Agency (CIA, The World Fact book 2011); Statistical Abstracts of the USA 1012; the US Federal Budgets 2010-2012, and other valuable sources and authors that significantly contributed in better understanding American society.

13. Carl Boggs, *Imperial Delusions: American Militarism and Endless War*, Lanham, Rowman & Littlefield, 2005, p.207
14. Francis Shor, “War in the Era of Declining U.S. Global Hegemony”, *Journal of Critical Globalization Studies*, Issue 2, 2010, pp. 65-81, http://www.criticalglobalisation.com/Issue2/JCGS_Issue2_War_and_Declining_US_Hegemony.html (Accessed 8 March 2012).
15. Andy Hoffman, U.S. Global Hegemony – The Beginning ... And the End, 19 April, 2009, Goldseek.com, <http://news.goldseek.com/GoldSeek/1240158180.php> (Accessed 8 March 2012).
16. Ibid.
17. National Intelligence Council, (2008). Global Trends 2025: A Transformed World, November 2008, *National Intelligence Council*, p. 6, www.dni.gov/nic/NIC_2025_project.html

Historical Retrospective

This section of the article analysis main causes provoking US 2008-2011 heavy financial and socioeconomic crises and global recessions 2008-2009, 2011, demonstrating very deep interdependence of the US and world markets.

After the II world war, the USA became internationally recognize the superpower: world's political, military, economic, financial, trade, technological and cultural leader. This country concentrates the greatest intellectual potential and presents a model of ideological diversities. Until 1991 its only competitor was the Soviet Union. After the fall of the USSR, the USA became the sole world leader, sole superpower, world hegemony, as no other country was able to compete with it.

Situation dramatically changed since the September 11, 2001, when the tragedy shook the stable development of the United States. New-York and Washington witnessed explosions that killed thousands of people. The USA received historical challenge from "the Muslim world", followed by George W. Bush's announcement the "Crusade" against international terrorism.¹⁸ As a result, the United States and the international community began wars in Afghanistan 7 November 2001, and shortly after, in Iraq 19 March 2003, which actually depleted the USA financially and morally. These wars turned to be very expensive even for a superpower. According to the Report for the U.S. Congress, prepared for its members and committees, the cumulative total appropriated from the 11 September 2001, including the Fiscal Year 2011, for those war operations, diplomatic operations, and medical care for Iraq and Afghan war veterans is \$1.283 trillion including: \$806 billion for Iraq; \$444 billion for Afghanistan; \$29 billion for enhanced security. Of this total, 63% is for Iraq, 35% for Afghanistan, 2% for enhanced security. Some 94% of this funding goes to the Department of Defense (DOD) to cover primarily incremental war-related costs.¹⁹ Meanwhile, economists Linda Bilmes and Joseph Stiglitz, the Nobel Prize winner, hold, that the Iraq war alone cost American taxpayers 3 trillion dollars.²⁰

The country also suffered heavy losses of human resources. In Iraq from the start of the war until 29 September 2011 the US military deaths consisted 4477, and 33151 people were wounded (Iraqi deaths, due to U.S invasion, consists 1 455 590 people), in and around Afghanistan fatalities reached 1 654 people.²¹ September 11 2001 was just as important a date as Pearl Harbor, America "advance into a new and dangerous era", believes American historian, J. Rufus Fears.²²

18. Peter Ford, 'Europe Cringes at Bush 'Crusade' Against Terrorists', *The Christian Science Monitor*, September 19, 2001, <http://www.csmonitor.com/2001/0919/p12s2-woeu.html> (Accessed 3 October, 2011).
19. Amy Belasco, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, Washington D.C., CRS Report for Congress, *Prepared for Members and Committees of Congress*, Congressional Research Service, Washington, 29 March, 2011, <http://www.fas.org/sgp/crs/natsec/RL33110.pdf> (Accessed 3 October, 2011). pp. 1-2.
20. Linda J. Bilmes and Joseph E. Stiglitz, "The \$10 Trillion Hangover Paying the Price for Eight Years of Bush", Report, *Harper's*, January, 2009, p.31.<http://www.srwolf.com/reports/Stiglitz10trillion.pdf> (Accessed 9 March, 2012).
21. Casualties in Iraq, The Human Cost of Occupation Edited by Margaret Griffis, <http://www.antiwar.com/casualties/> (Accessed 3 October, 2011). Casualties in and around Afghanistan, <http://icasualties.org/oef/> (Accessed 9 March, 2012).
22. Rufus Fears, "The Lessons of the Roman Empire for America Today", Lecture on Political Thought, The heritage foundation, December 19, 2005, <http://www.heritage.org/Research/Lecture/The-Lessons-of-the-Roman-Empire-for-America-Today> (Accessed 9 March 2012).



Managing two wars simultaneously became, among other factors, one of the primary causes provoking 2008-2011 heavy financial and socioeconomic crises in the USA. These wars required major shift in national resources to the military. The U.S. war politics brought about increasing military expenditures, including demands and expenditures on oil, provoking price increase on oil and its by-products. These wars, among many other factors, provoked recent U.S. socioeconomic and financial crisis, the worst one since the Great Depression, and originated sparking the global recessions 2008-2009, 2011. There were numerous other factors that also contributed to developing the economic crisis in the country. But Wall Street's unprecedented speculations shook the U.S. credit, investment and insurance institutions; as well as the "always prosperous" construction industry. As a result the tourism and goods logistics sectors also significantly suffered. The automobile industry actually came to the verge of its destruction.²³ Especially devastating for economy and people was housing sector. Housing starts were at the lowest levels since monthly recording of these data began in 1959. Mortgages in the foreclosure process increased 204 percent between October 2006 and October 2008, and over 1 million properties went into foreclosure in 2008.²⁴ Household net worth fell from the third quarter of 2007 to the first quarter of 2009 by 17.5 trillion dollars or 26.5 percent, which is the equivalent to more than one year's GDP.²⁵ The amount of debt held by the public has nearly doubled to \$6.4 trillion from 2001 to 2008, demonstrating as President Obama estimated as "a deep fiscal irresponsibility of authorities".²⁶

Level of unemployment in 2011 reached 9, 1% the highest since last decades with 6 million are long term unemployed people (those jobless for 6 months and over). "Manufacturing employment has hit a 60-year low".²⁷

In 2011 about 877 000 veterans were looking for work.²⁸ This active social group with war experience might become quite dangerous for stable development of the country, but in the meantime very positive energy for a small and medium size business.

The US economic crisis provoked heavy depression in the world markets, creating a domino effect that prompted world financial and economic crisis. Countries worldwide suffered regardless of their political system, level of industrial development, geographic size

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23. Obama Threatens US Car Industry with Bankruptcy, *Gguardian.co.uk*, Monday 30 March 2009, <http://www.guardian.co.uk/business/2009/mar/30/obama-threatens-bankruptcy-us-carmakers> (Accessed 3 October 2011).
 24. President's Message, A New Era of Responsibilities, Renewing America's Promise. Budget of the U.S. Government, Fiscal Year 2010, Office of Management and Budget, 2009, p.6, <http://www.gpoaccess.gov/usbudget/fy10/pdf/fy10-newera.pdf> (Accessed 9 March 2012).
 25. Executive Office of the President of the United States, Budget of the United States Government: Fiscal Year 2011, <http://www.gpoaccess.gov/usbudget/fy11/pdf/budget.pdf> (Accessed 5 October 2011), p.7.
 26. A New Era of Responsibility, Renewing America's Promise, Office of Management and Budget, Budget 2010, <http://www.gpoaccess.gov/usbudget/fy10/pdf/fy10-newera.pdf> (Accessed 5 October 2011), p.14.
 27. President's Message, A New Era of Responsibilities, Renewing America's Promise. Budget of the U.S. Government, Fiscal Year 2010, Office of Management and Budget, 2009, <http://www.gpoaccess.gov/usbudget/fy10/pdf/fy10-newera.pdf> (Accessed 3 October 2011). p.1.
 28. Address by The President to a Joint Session of Congress. Obama jobs speech transcript: Full text (as delivered), 8 September 2011, <http://www.politico.com/news/stories/0911/63043.html> (Accessed 5 October 2011).



or the location. While the global economic crisis had numerous causes the position of the USA, as the only world's Superpower, became a catalyst of the processes. When the nucleus of the system shakes, automatically all its segments are shaken. New powerful emerging economies (Brazil, Russia, India and China - BRIC) bringing new environment and challenges by rates of economic growth being beyond of world competition, even these countries, which are challenging the U.S. leadership, as a most dynamic world economic power, even these countries suffered seriously from ongoing in the USA and world economic downturn.

Open protest toward existing in the USA socioeconomic and political situation and tradition of country management, brought about Afro-American President, Barack Hussein Obama to the White House. A chain of revolutions in Arab world, "Arab Spring", actually echoed not only tense situation inside these countries, but political changes inside the USA and the world economic crisis. ***World economic crises proved enormous influence of the USA as economic superpower on the world markets.***

Managing two wars simultaneously became, among other factors, like Wall Street's unprecedented speculations involving credit, investment and insurance institutions, one of the primary causes provoking and originating US domestic crises 2008-2011 and sparking the global recessions 2008-2009, 2011, demonstrating very high interdependence and integration of the US and world markets.

The USA a World Leader

The following section studies real potential of the USA, for facilitating this inquiry are studied the scale of world markets and the place and the share of the US marketplace in it for better understanding the dosage of influence of America on the global economic, financial and military systems.

The USA preserves its leading positions in a number of very important directions. The USA had built up a strong industrial and technological infrastructure that had greatly advanced its military strength into a primary position on the global stage.

The USA created technologically powerful, Post Industrial economy. Its leading economic sectors are: computer, medical, space and military production and services. The USA still is the biggest worlds' trade centre and the largest consumer of goods. In the USA constitutes the largest part of the world trade. The USA preserves world leadership in: publicly traded shares; consumption of goods (including electricity, oil, and gas); stock of domestic credit, investments domestic and abroad. These factors explain well why world economy suffers when the U.S. economy confronts difficulties. Second very important revelation is that the EU is entity, which very closely follows the USA, second Super Power in the world with its unprecedented economic, financial and military achievements.

The USA is unconditional leader in attracting world funds (money). It is the world Centre of publicly traded shares. The world total market value of the publicly traded shares is



56, 64 trillion dollars.*²⁹ The largest share about 15 trillion dollars or world's 26, 5 % of shares are traded in the USA. The EU markets constitute only 9, 8 trillion dollars, or 17%; China – 5 trillion dollars, or 8, 8%; and Japan – 3, 3 trillion dollars, or 5, 8% of the world total.³⁰ The USA is unconditional world leader in this very important field of the concentration of finances. Level of BRIC countries' competition toward the USA and the EU is quite modest. Share of the USA in publicly traded shares demonstrates that this country has dominant position in the world. The USA is followed by the EU sharing with it dominant position in the world

The USA is a "Mecca" for the world production, as it is the traditionally the largest importer of products. The total world's imports are worth about 18 trillion dollars (2011).³¹ The US share is about 12 %, or 2, 3 trillion dollars; the EU share is 11%, or 2 trillion dollars; China's share is even less, only 8.8%, or 1, 6 trillion dollars; and Germany's is 7.2%, or 1, 3 trillion dollars.³² The gap is not very big between the USA and the EU, as the EU with 500 million citizens is coming closer to the U.S. indicators with more than 311 million population. The main competitor should be China with 1, 34 billion inhabitants, but as the purchasing power of the country is low, this country is not yet a "Mecca" for import. The USA and the EU are world dominant countries in importing goods.

No other country in the world consumes as much electricity, oil and gas as the USA. It consumes 21.3% of the world electricity, China only 19.1% with its vast population, EU – 16.3%, Japan 4.8%.³³ The USA consumes 22% of the world oil, and 22% of the world gas. The EU oil consumption is only 15.7 % of the world total and gas is 16%. China consumes about 10.5% of the world oil and about 3% of its gas.³⁴ Imported oil accounts for about 60% of the U.S. consumption, demonstrating the US high dependence on oil exporters' countries. It is obvious that the USA is a dominant consumer of the world goods.

The USA exceeds EU and all other countries in the Stock of Domestic Credit. This economic indicator demonstrates viability of business and its activity. World capacity in this field is \$109,6 trillion dollars (31 December 2011 est.),³⁵ the US share is the biggest in the world 29,7% or 32, 6 trillion dollars, EU share is 21.4 % or 23,5 trillion dollars, Japanese share is 14.8% or 16, 3 trillion dollars, and China's share is only 9.3% or 10, 7 trillion dollars.³⁶

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- * Central Intelligence Agency (CIA) World Fact book 2012 with economic development of the countries worldwide is a valuable resource for studying US socioeconomic development. In the article is analyzed CIA's latest data, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> (Accessed 8 March 2012).
29. Ibid, World Market Value of Publicly Traded Shares, Country Comparisons, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> (Accessed 8 March 2012).
30. CIA World Fact book 2012, Publicly Traded Shares, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2200rank.html> (Accessed 8 March 2012).
31. Ibid, World import, CIA, the World Fact book, 2012 <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> (Accessed 8 March 2012).
32. Ibid., Import, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2087rank.html> (Accessed 8 March 2012).
33. CIA World Fact book 2012 Ibid., Electricity – Consumption, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2042rank.html> (Accessed 8 March 2012).
34. Ibid., Oil – Consumption, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2174rank.html>, Natural gas consumption, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2181rank.html> .
35. CIA, Fact book, World Economic Overview, 2011, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> (Accessed 8 March 2012).
36. Ibid., Stock of Domestic Credit, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2211rank.html> (Accessed 8 March 2012).

This enormous capacity of the U.S. stock of domestic credit indicates on unlimited opportunities and synergy of business development inside and outside of the USA. The USA is a dominant country, Mecca of credits and finances, stimulating development of business inside and outside of the country.

Traditionally the USA is regarded as one of the most attractive countries for investment. Out of world's 19, 1 trillion dollars of stock direct foreign investments at home, 13.7 %, or 2, 8 trillion dollars are invested in the USA, France receives the second the greatest amount of investment, with about 6.6% of the world total or 1, 1 trillion dollars; Hong Kong and the United Kingdom invest same amount of funds as France.³⁷

It is very important to indicate that the EU, regardless of all its economic and financial current troubles constantly preserves second places in all above mentioned fields, demonstrating excellent position on the world markets and its competitiveness. Actually Europe very closely follows the USA, although America is a traditional leader.

USA is the biggest investor in the world. Out of world's 19, 9 trillion dollars stock of direct foreign investment - abroad (31 December 2011 est.),³⁸ the U.S. share is the biggest in the world. Its investors are dominating in the world markets. The U.S. foreign direct investments abroad total 4, 5 trillion dollars, or 22%. France is the second largest with 1, 7 trillion dollars, or 8.5%; the same indicators have United Kingdom, and Germany ranks fourth with 1, 4 trillion dollars, or 6.1% of world total invested abroad.³⁹

Along with the **publicly traded shares 15 trillion dollars** traded in the USA, **plus 2, 8 trillion dollars** of stock direct foreign investments at home, it **accumulates annually about 17, 8 trillion dollars**. This capital is even bigger if we add the U.S. direct foreign **investments abroad total 4, 5 trillion dollars**, all an all this indicators comprise **about 22,3 trillion dollars, which makes this country unconditional world financial super power, and a world economic leader, justifying its huge military expenditures on security needs.**

The USA, with its transatlantic allies, is the leading one in creation world security systems through NATO. Due to military and intelligence systems are provided protection of trade and cooperation interests of transatlantic countries and their allies, making world trade collaboration much safer and stable.

The USA has the largest military expenditures in the world. World military expenditures roughly consist of 1, 4 trillion dollars.⁴⁰ About 70% of the world expenditures, or about

37. CIA World Fact book 2012. Stock of Direct Foreign Investment at home, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2198rank.html> (Accessed 8 March 2012).

38. Ibid; World Economic Overview, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> (Accessed 8 March 2012).

39. Ibid; Stock of Direct Foreign Investment – abroad, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2198rank.html> (Accessed 8 March 2012).

40. Ibid., World Economy Overview, World Military Expenditures, CIA, the World Fact book 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html>;



1,08 trillion dollars is spent by NATO countries in 2010.⁴¹ The USA is the leading NATO member with the largest contribution of 785 billion dollars of military spending. North America (USA, Canada) share of total NATO spending is \$809 billion, comprising about 74% of NATO's budget. The EU share in NATO or "NATO Europe" is only \$ 275 billion, or only about 26%.⁴² The largest EU countries by military expenditures traditionally are: UK with \$60 billion, or about 5.5% of total NATO budget 2010 est.; France with 52 billion, or about 4.8% of the NATO's total spending and Germany with 45 billion or 4%. As the US federal budget is the biggest in the world, its military spending is as well extraordinary.

Russia's defense spending in 2010 comprised \$42 billion and it is planned to increase by 60 percent, to \$66.3 billion by 2013, still very modest amount in comparison with the USA.⁴³ China's military budget, according to different editions, is about \$106.4 billion in 2012,⁴⁴ Iran's military budget was about \$ 7 billion in 2008.⁴⁵

The USA is unconditional world leader by its unprecedented military expenditures and its high tech equipments, but in the mean time it is obvious, that leading authoritarian states like China, Russia and Iran are accumulating their military budgets and this tendency will be accelerated in future for creating enough military power to counterbalance the USA and NATO countries.

Traditionally the USA is the greatest donor in the world. In Fiscal Year 2010, U.S. foreign assistance totaled \$39.4 billion, or 1.1% of total budget authority. In real terms, this was the highest level of U.S. foreign assistance since 1985. Since the terrorist attacks of September 11, 2001, foreign aid has increasingly been associated with national security policy. U.S. foreign aid policy has developed around three primary rationales: national security; commercial interests; and humanitarian concerns.⁴⁶ The U.S. Agency for International Development and the State Department, the primary administrators of U.S. foreign assistance, provided \$10.38 billion in security-related assistance; \$10.93 billion for health, education, and social welfare programs; \$3.64 billion for governance programs; \$5.21 for economic growth activities; and \$4.98 in humanitarian assistance. Assistance can take the form of cash transfers, equipment and commodities, infrastructure, or technical assistance, and, in recent decades, is provided almost exclusively on a grant rather than loan basis.⁴⁷

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41. Financial and Economic Data Relating to NATO Defense, Defense Expenditures of NATO Countries (1990-2010), NATO Public Diplomacy Division, Press Release, 10 March 2011, p.4. http://www.nato.int/nato_static/assets/pdf/pdf_2011_03/20110309_PR_CP_2011_027.pdf (Accessed 9 March 2012).
 42. Ibid.
 43. Russia Plans 60% increase in Defense Budget by 2013, Center for Strategic and International Studies, <http://csis.org/blog/russia-plans-60-increase-defense-budget-2013>(Accessed 8 March 2012).
 44. China to raise defense budget by 11%, Impact Your World, CNN, the CNN Wire Staff, March 5, 2012, <http://edition.cnn.com/2012/03/04/world/asia/china-defense-budget/index.html>
 45. Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database for the Year 2010 (in constant 2009 US\$), <http://milexdata.sipri.org/result.php4> (Accessed 8 March 2012).
 46. Foreign Aid: An Introduction to U.S. Programs and Policy, February 10, 2011, Congressional Research Service 7-5700, R40213, Introduction., <http://www.fas.org/sgp/crs/row/R40213.pdf> (Accessed 8 March 2012).
 47. Foreign Aid: An Introduction to U.S. Programs and Policy, February 10, 2011, Congressional Research Service 7-5700, R40213, Introduction., <http://www.fas.org/sgp/crs/row/R40213.pdf> (Accessed 8 March 2012).

Unprecedented level of US donations helps the country to create benevolent image of the union as a defender of Democracy, Justice and Peace. No other country in the world takes care on its international reputation as the USA. The USA is a world leader in promotion of ideas and values of Democracy and Liberalism in the world.

The U.S. economy during recent decades underwent complicated process of the technological renovation and restructuring. The USA since 1970-s live in qualitatively new society, characterized as "Post-Industrial or Information Society" with its specific structure of economy well analyzed by prominent American scholars: Daniel Bell, John Kenneth Galbraith, others.⁴⁸ The structure the U.S. economy and, as a result, the structure of its society is one of the most advanced in the world. Share of leading sectors of "Industrial economy": heavy industry, manufacturing, and farming significantly diminished. According to CIA data, by GDP the U.S. agrarian sector in 2010 constituted only 1.2%, the industrial sector – 22.1%, but the services – 76.7%.⁴⁹ Very close to the US indicators is the EU. GDP composition by sectors: agriculture: 1.8 %; industry: 25%; services: 73.1% (2011 est.).⁵⁰ EU follows the USA by its rates of Post-industrial development. World's average structure lags behind American and the EU balance. Share of the World GDP of agriculture is 6%; Industry - 31.3%; services - 62.3% (2010 est.).⁵¹

Economic structural changes directly influenced on a structure of the U.S. labor force, further shrinking share of occupied in farming, forestry, and fishing to 0.7%; in manufacturing, transportation, and crafts to 20.3 %; while increasing jobs in services to 79.1% of labor force.⁵² These are the best indicators in the world. No other country or union achieved such level of postindustrial development. The EU balance is 4.7% of occupied in farming, forestry, and fishing, 28.7% in Industry and 66.6% in Services.⁵³

Post-Industrial, Information Society type of economic structure permits America to be the world service center with developed tourism industry, with world class transportation systems and world class universities, making the country not only economic, and political, but world intellectual and cultural center.

The structure of the U.S. economy and its labor force is a model of Information Society. Only the EU countries are very close to American balance. World indicators of GDP composition by sectors, as well as labor force distribution are lagging far behind the U.S. characteristics. World labour force occupied in agriculture is very high 36.7%; while in

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48. Daniel Bell, *The Coming of Post-Industrial Society: A Venture in Social Forecasting*, New York: Basic Books, 1999; John Kenneth Galbraith, *The New Industrial State*. Princeton, Princeton University Press, 2007.
 49. CIA World Fact Book 2012, the USA, Economy, GDP Composition by Sector, CIA, the World Fact book 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html> (Accessed 8 March 2012).
 50. Ibid., EU, Economy, GDP Composition by Sector, CIA, the World Fact book 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/ee.html> (Accessed 8 March 2012).
 51. Ibid, World Economic Overview, GDP Composition by Sector, CIA, the World Fact book 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html>
 52. Ibid., The USA, Economy, Labor Force Composition by Sector, CIA, the World Fact book 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html> (Accessed 8 March 2012).
 53. Ibid., Economy, EU, Labor Force Composition by Sector, <https://www.cia.gov/library/publications/the-world-factbook/geos/ee.html>



industry 21.5% and in services 41.7% much lower than the U.S. and EU indicators are.⁵⁴ EU indicators are close to the U.S., but still lagging behind the American level.

This section demonstrates well that the USA is still a superpower with all its attributes, as it has dominant positions in the world: In economy (the USA is the biggest worlds' trade centre and the largest consumer of goods including electricity, oil, and gas); In finances (the USA preserves world leadership in: publicly traded shares; stock of domestic credit, investments domestic and abroad); In military field and in creation world security systems through NATO. As the greatest world donor, it promotes ideas and values of Democracy and Liberalism in the world, creating benevolent image of its mission and function in the world. Post-Industrial, Information Society type of economic and social structure facilitates America to be the world service center with developed tourism industry, world class transportation systems and world class universities, making the country not only economic, and political, but world intellectual and cultural center.

All these factors explain well why world economy suffers when the U.S. economy confronts difficulties. Second very important finding is that the EU is another powerful entity, another Super power which very closely follows the USA in economic, financial, military, social and intellectual achievements.

Although the USA actually controls world financial and economic markets, it is losing some significant positions in the world. The country witnesses significant changes, quite detrimental socioeconomic tendencies, which might have very negative consequences in a long term prospective.

The USA Losing Leading Positions

Managing two wars simultaneously, unprecedented financial speculations, along with other internal and external problems, provoked number of serious problems in the USA. For the first time since the World War II, the USA is no longer the leader in central fields of economy. The USA is losing its leading positions in a number of very significant measures of economic primacy: gross domestic product (including per capita); stock of money; reserves of foreign exchange and gold, export of goods; current account balance; economic growth rates, and gini index. These and other very negative tendencies dealing with the efficiency of labor, income disparities, widening social gap are provoking quite dangerous tendencies in the society, indicating very deep transformation of the nation.

Actually America is transforming from world producer into world consumer. The USA spreads worldwide technologies and finances that significantly help to fight poverty and misery in its distant regions, making them more civilized and better off. In a short term rate it is quite profitable mission for the USA, but in a long term perspective quite dangerous, as poor countries are growing into a kind of competitors and challengers as it happened with China and India. New economic actors appeared in the world markets. They actually compete with the United

54. CIA, the World Fact book 2012: World, Economy, Labor Force Composition by Sector, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> (Accessed 8 March 2012).

States. But actually powerful competitor for the USA is not yet BRIC countries with unprecedented economic growth, but the European Union (although the EU itself has myriads of socio-economic problems).

For the first time since World War II, the USA lost its leadership as the biggest producer of goods and services within nation. The USA experiences the deepest and longest economic downturn since the Great Depression. According to the CIA Fact book data, the EU gross domestic product (GDP purchasing power parity) the main indicator of the wealth of any nation and efficiency of its economy, the EU in 2011 exceeded the US indicators about 400 billion dollars. World GDP is \$79 trillion, out of which the EU share is 15, 4 trillion dollars, the US – 15 trillion dollars (the gap is about \$400 billion). In 2010 this gap between Europe and America was about 200 billion dollars in favor of Europe.⁵⁵ It is significant, that regardless of deep financial and economic problems European economy is growing and exceeding the USA indicators. Traditionally third place belonged to Japan, but since 2010 China became the third economy. In 2011 it preserved the third place with 11, 3 trillion dollars, fourth economy became India with \$ 4, 4 trillion and Japan with \$4, 3 trillion of GDP.⁵⁶

The USA lost its leadership as the biggest economy in the world in 2008, when the EU world share of GDP reached 14,820 trillion dollars, the US - 14,290 trillion dollars. The gap between these two entities was insignificant, but for several years it is constantly increasing showing quite persistent negative tendency for the USA. Plus, the fact itself, that the USA is no long the world leader by GDP, makes this country's future prospects disputable. If rates of economic growth of China be further successfully continued, quite soon, in the nearest years China's GDP will exceed the U.S. and the EU wealth, bringing significant consequences even in world politics.

The USA is not any more the country with the highest incomes in the world. It is only 11th in the world rating according to the GDP (purchasing power parity per capita). First is Lichtenstein with 141 100 dollars, second place has Qatar with \$102 000, third place - Luxemburg 84 000 dollars, The U.S. per capita is quite modest, only \$ 48 100 dollars and ranks 11 in the world list by per capita income.⁵⁷

The USA lost its leading position in the field as Stock of Money, traditionally its main bastions of domination. The EU share is 24% or 5, 5 trillion dollars, Japanese 23% or 5, 4 trillion dollars, China's 10% or 2, 4 trillion dollars, and the USA – 6.1% or 1, 4 trillion dollars (2008 available).⁵⁸

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55. CIA, the World Fact book 2012, The USA, Economy, GDP (Purchasing Power Parity), <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html> World , Economy, GDP (Purchasing Power Parity), CIA, the World Fact book 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> EU , Economy, GDP (Purchasing Power Parity), CIA, the World Fact book 2012, <https://www.cia.gov/library/publications/the-world-factbook/geos/ee.html> (Accessed 8 March 2012).
 56. Ibid., Economy, GDP (Purchasing Power Parity), <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html>
 57. Ibid., Economy, GDP Per Capita, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html> (Accessed 8 March 2012).
 58. Ibid., Economy, Stock of Money, Country Comparisons, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2209rank.html> (Accessed 8 March 2012).



The US ranks 174 by the Gross fixed investment ***such as factories, machinery, equipment, dwellings, and inventories of raw materials***, which provide the basis for future production. The USA invests only 12.4% of its GDP (2011 est.). China invests 48.4% of its GDP; India – 30.7%, Russia - 21.1%, France – 19 %, Turkey - 21.0% and the EU - 18.6% of its GDP.⁵⁹ Possibly these figures show, that pick of renovation of equipments was passed by the USA, while this process is ongoing in other countries, but ruthless completion on international markets demands very careful politics toward investments.

The USA also has a very modest position in the Reserves of Foreign Exchange and Gold. Leaders in this field are China with \$3, 3 trillion; Japan with \$1 trillion, Saudi with \$ 536 billion and Russia with \$513 billion. The USA has only \$132 billion.⁶⁰

For the USA especially painful is losing its once leading positions in export of goods, one of the main indicators of healthy economy. The USA is only 4th in the world according to a measure of export of goods, with exports valued at 1, 2 trillion dollars, while the EU exports 1, 9 trillion dollars worth of goods, China 1, 5 trillion, Germany 1, 3 trillion dollars worth of goods (2011 est.).⁶¹

Due to these indicators the USA is in a complicated situation according to the current account balance. The USA trade deficit in 2010 was 470 billion dollars and it is at the bottom of the list, as no other country in the world had such a big imbalance.⁶²

The US trade deficit reached a record \$840 billion in 2008 before shrinking to \$506 billion in 2009, and ramping back up to \$ 599, 9 billion in the 2011.⁶³ This would be an excellent result of curing economy, if the Gross External Debt would be diminished and not be increased by 800 billion dollars during only one year 2011. The world leader in trading is China. Its trade surplus is \$280 billion; Second place has Saudi Arabia with surplus \$151 billion dollars; Third place - Germany \$149 billion. Japan due to its devastation in 2011 received - \$122 billion surplus, Russia - \$90 billion, but Switzerland - 76 billion dollars of surplus.⁶⁴

China is unconditional world leader in trade balance and efficiency of economy.

The External Debt of the USA by its amount of money traditionally was very high. According to the CIA, in 2011 it was 14, 7 trillion dollars, or 98 % of country's GDP.⁶⁵ Since the last year the debt increased about 4%. In 2011 the EU became a world leader by the size

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59. CIA, the World Fact book 2012, Economy, Country Comparison, Investment (gross fixed), <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2185rank.html>
 60. Ibid., Economy, Country Comparisons—Reserves of foreign exchange and gold, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2188rank.html> (Accessed 8 March 2012).
 61. Ibid., Country Comparisons, Exports, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2078rank.html> (Accessed 8 March 2012).
 62. Ibid., Country Comparisons, Current Account Balance, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2187rank.html> (Accessed 8 March 2012).
 63. Ibid., Economy, Current Account Balance, Country Comparison, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2187rank.html> (Accessed 8 March 2012).
 64. Ibid., Economy, Current Account Balance, Country Comparison, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2187rank.html> (Accessed 8 March 2012).
 65. Ibid., Country Comparisons, Debt-External, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2079rank.html> (Accessed 9 March 2012).

of its debt. According to statistics presented in the CIA World Fact book, the EU external debt consisted 16 trillion dollars, or 104% of its GDP, while in 2010 its level was 92 %, so the debts increased by 12%. Same situation is in its leading countries: UK – 9,8 trillion dollars, Germany - and France – 5, 6 trillion dollars, Japan – 2,7 trillion dollars, Russia, as one of the competitor of the USA and the EU, has relatively modest external debt only 519 billion dollars.⁶⁶

It is obvious that the European countries have very pessimistic indicators toward its debts. The UK debt consists 445% of its GDP; France's debt is 254% of its GDP; Germany's debt is 186%; Greece's debt is 195% of its GDP, Spain's debt - 178% of its GDP; Japan's debt is 62% of its GDP, Russia's debt is quite low only 22% of its GDP.⁶⁷ So, the country with the highest external debt, within the EU, is the United Kingdom. Its debt about 4,4 times exceeds its GDP; France's external debt is 2, 5 times more than it's GDP; Germany's 1, 8 times more.⁶⁸ Chinese external debt diminished in the 1 quarter of 2009 by 10% and is now only 406 billion dollars comprising 5.6 % of its GDP.⁶⁹

Average world level of Public Debt comprised about 87% of GDP in 2011.⁷⁰ It increased about 27% only during the last year in 2011. These data demonstrate that debt economy is inalienable culture of the contemporary countries, especially traditional democracies. These debts appeared from the first days of its inceptions due to the civil wars and expanding expenditures. But real problem became economic scholars of the 20th century like Maynard Keynes, who justified national debts as reasonable solution of economic crises.

These figures well demonstrate in how bad shape is the world economy and especially countries of Transatlantic Democracies. On the other had it is obvious that Chinese and Russian economies are developing very dynamically. If its development will be preceded Transatlantic Democracies will confront significant difficulties not only economic, but political in foreseeable future. Actually the UN today is already the arena of ideological clashes and confrontation of these countries. Power of Transatlantic communities might be in preserving very tight relations and partnership with the rest of the world including indicated regions.

Major Foreign Holders of the US external debt, which consists about 4,5 trillion dollars (July 2011) are: China with 1, 1 trillion dollars, Japan - 914 billion dollars, UK – 352 billion dollars, Brazil – 210 billion dollars, and Russia – 100 billion dollars.⁷¹

Debts' structures of traditional Democracies well demonstrate how closely integrated world economies and its finances are.

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66. Calculated according the CIA, the World Fact book 2011, Country Comparisons, Debt-External, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2079rank.html> (Accessed 9 March 2012).
 67. Ibid; External Debt of countries is calculated, using materials of CIA. <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2079rank.html> (Accessed 9 March 2012).
 68. Ibid.
 69. China's external debt falls 10% in Q1, *China Daily*, 21 August, 2009, http://www.chinadaily.com.cn/bizchina/2009-07/02/content_8348771.htm, (Accessed 9 March 2012).
 70. CIA, the World Fact book 2012, Economy, Current Account Balance, Country Comparison, <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> (Accessed 8 March 2012).
 71. Ibid., Major Foreign Holders of Treasury Securities, <http://www.treasury.gov/resource-center/data-chart-center/tic/Documents/mfh.txt> (Accessed 9 March 2012).



Economic growth rates in the United States also lag behind its competitors.

In 2011 annual growth rates of China was 9.5%; India - 7.8%; in Russia – 4%. Germany lagged behind Russia with 2.7%; in France - 1.7%; in EU – 1.6%; World GDP real growth rate was 3.7% (while in 2010 was 5%, but 2009 minus - 0.8% only).⁷² The USA's rate of growth was only 1.5% in 2011. Situation was even worse in 2008, when the US indicator was 0, but in 2009 minus - 2.6% the biggest economic contraction since 1938.⁷³ In 2010 the EU growth rate was 1.8%, but in 2009 minus - 4.1%. If such sluggish economic growth rates will be preserved following years, economic domination of transatlantic countries will be seriously undermined, which might bring about profound geopolitical consequences in future.

Actually all federal taxes and other revenues are consumed in spending on various federal benefit programs, including Social Security, Medicare, Medicaid, veterans' benefits, food stamps, and farm subsidies and other social-assistance programs and payments on the national debt. Most everything else is done with borrowed money, borrowing for schools, roads and parks.⁷⁴

Actually America spent as much as it has already borrowed. It is reality that the whole US economy is actually bankrupt, as well as the EU economy and its leading countries. Only well designed strategic planning will give opportunity to these countries to reduce their debts. Other possibility of signing off debts might be unpredictable Force Majors.

Beneath Going Tendencies

Although the USA created advanced economic structure, its efficiency or its labor force efficiency is quite modest. Less efficiency of the U.S. labor force is well traced in its productivity. Vast majority of the society, its 79% is engaged in the services, but its efficiency is quite low as producing only 76,7% of the GDP, or less 3%, than its nominal potential is. 20.3% of the labor force is in manufacturing, transportation, and crafts produces 22.1% of the country's GDP, showing better results, but still quite modest productivity. Most productive is the U.S. agrarian labor force as its share is very low only 0.7%, but quite effective, as it produces 1.2% of the country's GDP.⁷⁵

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72. CIA, the World Fact book 2012, GDP, Economy, Real Growth Rate, Country Comparisons,. This entry gives GDP growth on an annual basis adjusted for inflation and expressed as a percent, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2003rank.html>; Data on EU growth rate of GDP in 2009 is available <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsieb020> (Accessed 9 March 2012).
 73. President's Message, A New Era of Responsibilities, Renewing America's Promise. Budget of the U.S. Government, Fiscal Year 2010, Office of Management and Budget, 2009, <http://www.gpoaccess.gov/usbudget/fy10/pdf/fy10-newera.pdf> (Accessed 3 October 2011), p.6; U.S. Census Bureau, Statistical Abstract of the United States: 2003 No. HS-32. Gross Domestic Product in Current and Real (1996) Dollars: 1929 to 2002—Con, <http://www.census.gov/statab/hist/HS-32.pdf> .
 74. How Obama's jobs speech claims compare with facts, Detroit Free Press, 9, September 2011, <http://www.freep.com/article/20110909/NEWS15/109090487/How-Obama-s-jobs-speech-claims-compare-facts> (Accessed 9 March 2012).Ibid.
 75. CIA, World Fact book 2012, The USA, Economy, Country Comparisons, <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html> (Accessed 9 March 2012).

Although world economic structure is lagging behind of the U.S., but its relative efficiency is obvious. World labor force occupied in agriculture is very high 36.6%, producing only 5.7% of world GDP share of agriculture, showing quite low efficiency (as the industrialization is very low), while 21.5% of labor engaged in industrial sector produces 30.7% of the GDP. Most efficient is the sector of services, where 41.9% of labor force produces 63.6% of world GDP.⁷⁶

These data demonstrate that although the USA enjoys advanced Post Industrial economic and social structure of the society, but its efficiency is not fully used and lags behind its possibilities, while less advanced world indicators show more high level of its affectivity.

Transatlantic corporations and economic crises became a real economic problem for the USA. On its initial stage in 1960-1970s transatlantic corporations had very progressive role, when they moved goods and services overseas all around the world, bringing multibillion incomes to the country, but when transatlantic corporations began to move productions itself overseas in 1970-1980s, it provoked two negative tendencies for the American society: Using cheap foreign labor force and preferable foreign system of taxation, the U.S. economy began to lose jobs and actually depleted itself.

While American corporations were bringing new business synergy, finances, "high tech" and "know how" to the new continents (including China and India, making world economy more homogeneous), America degraded (exporting jobs overseas) and exacerbated unemployment problem in the USA. On the other hand, due to well trained, badly paid, socially and politically unprotected labor force abroad, the U.S. corporations amassed huge wealth, which partly has been used not for expanding investments, but for just speculations on the Wall-Street. The amassed wealth itself became a problem for American society, as the economic gap between different social layers has been exacerbated significantly.

Aggravated economic situation further acerbated socioeconomic disparities within American nation, which turned to be the most detrimental for the country. U.S. population's lowest 10% -s income or consumption consists only 2% of the national consumption, while the highest 10% of population consumes 30%. Since 1975, practically all the gains in household income have gone to the top 20% of households.⁷⁷ 15.1% of population lives below the poverty line.⁷⁸ Quite detrimental tendency of wealth distribution within the society is well demonstrated by Gini index.

The USA has quite modest indicator in distribution of family income - Gini index.

The USA ranks 40 in the world with 45.0 scores (while 00.0 is the unreachable ideal condition, the point of counting). More harmonious distribution of wealth demonstrated India with 36.8

76. CIA, the World Fact book 2012, Country Comparison. World, Economy <https://www.cia.gov/library/publications/the-world-factbook/geos/xx.html> (Accessed 9 March 2012).

77. Country Comparisons, The USA Economy, <https://www.cia.gov/library/publications/the-world-factbook/geos/us.html>

78. Income, Poverty and Health Insurance Coverage in the United States: 2010, US Census Bureau, Newsroom, September, 13, 2011, http://www.census.gov/newsroom/releases/archives/income_wealth/cb11-157.html (Accessed 9 March 2012).



scores, UK with 34 scores, Germany with 27 scores.⁷⁹ The EU rate is 30.4, Russia's 42.2 scores. Even Russia, with its very corrupt political regime has better distribution of wealth within society, than traditional "bastion of democracy" the USA.⁸⁰

According to U.S. Census Bureau, the nation's official poverty rate in 2010 was 15.1 percent, up from 14.3 percent in 2009. "There were 46.2 million people in poverty in 2010, up from 43.6 million in 2009 – the fourth consecutive annual increase and the largest number in the 52 years for which poverty estimates have been published".⁸¹ The number of people without health insurance coverage rose from 49.0 million in 2009 to 49.9 million in 2010, while the percentage without coverage reached 16.3 percent of population.⁸²

Sharp social disparities might become a serious social problem for the society. In 2009 CEO salary was 185% bigger than the average workers.⁸³ **The bottom 10 percent** of earners have seen their **income decline by 12.1 percent, while the top 10 percent has** experienced a **decline of 1.5 percent in** that time period, the Census Bureau reported.⁸⁴ Hedge fund managers often pay 15 % tax through the carried interest (Capital gains) tax loophole, while the average teacher pays 25% income tax. Tax breaks for oil and gas companies will be 40 billion over the next decade. In 2010 third quarter oil and gas production profits reached 217%, three times more than in the 2009.⁸⁵

Famous American scholar, Jeffrey Sachs in his article "In Search of Equilibrium" describes even more dramatic social gap: "America's income inequality is staggering: The net worth of the wealthiest 1 percent of households is equal to the net worth of the poorest 90 percent. America's gaudy inequalities today surpass those that preceded the Great Depression, and probably the excesses of the Gilded Age of the 19th-century robber barons".⁸⁶

It is obvious, that the USA confronts serious long-term problems of stagnation of family income in the lower economic groups. High rates of unemployment, limiting small business opportunities negatively influence on middle and lower class conditions, its viability. Lowering purchasing power of population has negative influence on big business, provoking sluggish economy and hampering stable development of socioeconomic and political processes

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79. CIA, the World Fact book 2012, Country Comparisons, Gini Index, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html> (Accessed 9 March 2012).
 80. CIA, the World Fact book 2012, Country Comparisons, Gini Index, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html> (Accessed 9 March 2012).
 81. Income, Poverty and Health Insurance Coverage in the United States: 2010, US Census Bureau, Newsroom, September, 13, 2011, http://www.census.gov/newsroom/releases/archives/income_wealth/cb11-157.html (Accessed 9 March 2012).
 82. US Census Bureau, Newsroom, September, 13, 2011, http://www.census.gov/newsroom/releases/archives/income_wealth/cb11-157.html (Accessed 5 October 2011).
 83. American Jobs Act Address Enhanced Graphics, The White House, <http://www.slideshare.net/whitehouse/american-jobs-actslides> (Accessed 5 October 2011)
 84. The Washington Post, 13 September, 2011. http://jdeanicate.typepad.com/i_cite/2011/09/us-poverty-rate-reaches-151-percent-the-washington-post.html (Accessed 5 October 2011)
 85. American Jobs Act Address Enhanced Graphics, The White House, <http://www.slideshare.net/whitehouse/american-jobs-actslides> (Accessed 9 March 2012)
 86. Jeffrey Sachs. In Search of Equilibrium, I.H.T. Global Agenda, *The New York Times*, 2011, December 2, 2010, <http://www.nytimes.com/2010/12/02/opinion/global/02iht-GA04Sachs.html?ref=ihtyearend> (Accessed 9 March 2012).

within society and in future making this country less attractive for world flow of goods and finances.

In 2011 one of the oldest U.S. credit rating company, Standard & Poor's (S&P's),⁸⁷ downgraded the U.S. credit rating to one notch (from AAA to AA+)⁸⁸ for the first time since the U.S. won the top ranking in 1917.⁸⁹ The AAA rating has made the U.S. Treasury bond one of the world's safest investments — and has helped the nation borrow at extraordinarily cheap rates to finance its government operations, including two wars and an expensive social safety net for retirees. Treasury bonds have also been a stalwart of stability amid the economic upheaval of the past few years.⁹⁰

"It's always possible the rating will come back, but we don't think it's coming back anytime soon," said David Beers, head of S&P's government debt rating unit.⁹¹ This symptomatic blow to the world's economic superpower provoked sharply worded critique of the American political system. "Political brinkmanship" in the debate over the debt had made the U.S. government's ability to manage its finances "less stable, less effective and less predictable," is indicated in the Standard & Poor's report.⁹²

Analysts say that, "over time, the downgrade could push up borrowing costs for the U.S. government, costing taxpayers tens of billions of dollars a year. It could also drive up interest rates for consumers and companies seeking mortgages, credit cards and business loans".⁹³ A downgrade could also have a cascading series of effects on states and localities, including nearly all of those in the Washington metro area. These governments could lose their AAA credit ratings as well, potentially raising the cost of borrowing for schools, roads and parks.

By the level of good governance the USA as well lags behind many other countries.

According to the Corruption perception index, the level of corruption in the United States is much higher than in the Northern European, Scandinavian countries, where traditionally the level of corruption is very low. According to "Transparency International" Corruption Perception Index 2011, out of 183 countries, the USA ranks 24 with 7.1 scores. Leaders, with very low level of corruption, are: New Zealand, Denmark, Finland and Sweden ranging scores from 95 to 93.⁹⁴ Noisy political corruption scandals like: Enron, WorldCom, governor Rod Blago-

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87. The company Standard & Poor's traces its history back to 1860, with the publication by Henry Varnum Poor of History of Railroads and Canals in the United States. This book was an attempt to compile comprehensive information about the financial and operational state of U.S. railroad companies.
 88. 'AAA' is the highest issuer credit rating assigned by Standard & Poor's and has extremely strong capacity to meet its financial commitments; AA has very strong capacity to meet its financial commitments. It differs from the highest-rat only to a small degree. Includes: AA+: equivalent to high quality, with very low credit risk, but susceptibility to long-term risks appears somewhat greater.
 89. Zachary A. Goldfarb, U.S. Credit Rating Downgraded by Standard & Poor's Status cut from triple-A for 1st time, Washington Post, August 6, 2011, http://articles.sfgate.com/2011-08-06/news/29857528_1_s-p-downgrade-credit-rating-triple-a-rating (Accessed 9 March 2012).
 90. Zachary A. Goldfarb, U.S. Credit Rating Downgraded by Standard & Poor's Status cut from triple-A for 1st time, Washington Post, August 6, 2011, http://articles.sfgate.com/2011-08-06/news/29857528_1_s-p-downgrade-credit-rating-triple-a-rating (Accessed 9 March 2012).
 91. Ibid.
 92. Ibid.
 93. Rufus Fears, Lecture #917, "The Lessons of the Roman Empire for America Today", Published on December 19, 2005 by The heritage foundation, leadership for America, <http://www.heritage.org/Research/Lecture/The-Lessons-of-the-Roman-Empire-for-America-Today> (Accessed 9 March 2012).
 94. Transparency International, Corruption Perception Index 2011, <http://cpi.transparency.org/cpi2011/> (Accessed 9 March 2012).



jevich, recent scandal in the US Congress and many other cases show that corruption even on the high level of decision making still remains serious, unsolved problem for the nation.

The Scandinavian countries are as well world leaders in the efficiency of the electronic government (e-government), while the USA goes behind them.⁹⁵ Although the USA is a motherland of high-tech, especially computer and Internet invention/production, as well as e-government end "Digital Democracy" its theory and practice, but the U.S. leading positions in the world, is challenged. According to the UN E-Government Survey 2012, the USA ranks fifth by E-government Development Index, Which comprises: online service, telecommunication infrastructure and human capital components. The world leader is the Republic of Korea (South Korea), followed by Netherlands, United Kingdom and Denmark.⁹⁶ The USA ranks 3th by e-participate index (peoples involvement in electronic governmental process), most important indicator of interactivity of the government and people.⁹⁷

The USA ranks 24th by telecommunication infrastructure index and its components (estimated by internet users per 100 inhabitants; main fixed telephone lines per 100 inhabitants; mobile subscribers per 100 inhabitants; personal computers per 100 inhabitants; total fixed broadband per 100 inhabitants). In this list leading positions have Liechtenstein, Switzerland, Iceland and Luxembourg.⁹⁸

The USA ranks 21st by human capital index and its components (index value adult literacy rate and combined gross enrolment ratio for primary, secondary and tertiary schools by per cent).⁹⁹

These indicators well demonstrate how much the US government has to contribute for diminishing gap between those "who has" and those "who has not", providing jobs and high standards of living and especially good public education.

American scholar J. Rufus Fears, in his lecture on "The Lessons of the Roman Empire for America Today" compares Rome of the first and second centuries A.D. and the United States today "as the only two absolute superpowers that have existed in history".¹⁰⁰ By an absolute superpower he means "a nation that is dominant militarily, politically, economically, and culturally". He warns that pouring treasure into the civil wars (Judea and Egypt); stretching the limits of the army and other commitments, ended by the Persian and the Germanic tribe's new federations swept through the fairest provinces of the Roman East, and the Roman West.

"Rome recovered from this crisis, but in a form that left it utterly different than before. It had once rested upon the back of a strong and vigorous and loyal middle class. Now

95. E-government Survey 2012, E-government for the People, UN Department of Economic and Social Affairs, UN, New York, 1012, <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan048065.pdf> (Accessed 9 March 2012).

96. Ibid., pp. 126.

97. Ibid., p. 134.

98. Ibid., p. 130.

99. Ibid., p. 132.

100. Rufus Fears, Lecture #917, "The Lessons of the Roman Empire for America Today", Published on December 19, 2005 by The heritage foundation, leadership for America, <http://www.heritage.org/Research/Lecture/The-Lessons-of-the-Roman-Empire-for-America-Today> (Accessed 9 March 2012).

every aspect of Roman society became rigid, and formalized. The army became ever larger, ever more inefficient; the bureaucracy became ever larger to collect ever more taxes; and the very spirit and, ultimately, the loyalty of the middle class was destroyed.¹⁰¹ J. Rufus Fears' speculates, "that is a crossroads that we will come to just as the Romans did".¹⁰²

Fears warnings actually are in accordance with Samuel P. Huntington's predictions. As Huntington indicated in 1990s, there is "the fundamental disharmony between the reality of government in America and the ideals on which the American nation was founded. The tension between ideals and institutions is likely to increase in this country in the future".¹⁰³

Election in 2008 Afro-American, Barack Hussein Obama as the President of the USA was the open protest of Americans not only toward existed in the country socioeconomic and political situation, but the tradition of country management, existed system of decision making process, when public will and opinion might be ignored or been distorted, for benefits of few. Victory of Obama was regarded as an act of reestablishment better "a more perfect Union" for people. It became a powerful impulse for fighting Freedom, Democracy and Better Governance without corruption.

The USA confronts number of other serious problems and challenges, in its internal, as well as external, politics.

Growing pessimism inside the society

According to Washington Post polls, which were organized in August 2011, nearly three-quarters of Americans polled said they have little or no confidence in Washington to repair the economy.¹⁰⁴ Confidence is down 21 percentage points from October 2010 and is less than half its 2002 levels. Roughly four in 10 have no confidence at all in the federal government when it comes to dealing with the economy, the poll indicates.¹⁰⁵ Nearly eight in 10 of Americans polled were dissatisfied with the way the political system is working, up dramatically from late 2009. The unhappiness is intense, with 45 percent saying they are very dissatisfied. That feeling is shared widely across party lines. Independents are the most disgruntled, with 51 percent calling themselves very dissatisfied.¹⁰⁶ More than seven in 10 said Washington is focused on the "wrong things." That too is sharply higher than it was just 10 months ago. Two-thirds of Republicans who see the government as focused on the wrong things said Obama and the Democrats are to blame, and Democrats were nearly as likely to point the finger at

101. Rufus Fears , Lecture #917 , "The Lessons of the Roman Empire for America Today", Published on *December 19, 2005* by The heritage foundation, leadership for America, <http://www.heritage.org/Research/Lecture/The-Lessons-of-the-Roman-Empire-for-America-Today> (Accessed 9 March 2012).

102. Ibid.

103. Samuel P. Huntington, *American Politics: The Promise of Disharmony*, R.E. Dalton, 1991.

104. Jon Cohen and Dan Balz, Poll: Spreading gloom about government; most dissatisfied with political system, *Washington Post*, August 11, 2011, [http://www.washingtonpost.com/politics/poll-spreading-gloom-about-government-most-dissatisfied-with-political-system/2011/08/10/gIQAXsUB7I_story.html?](http://www.washingtonpost.com/politics/poll-spreading-gloom-about-government-most-dissatisfied-with-political-system/2011/08/10/gIQAXsUB7I_story.html?n) n (Accessed 9 March 2012).

105. Jon Cohen and Dan Balz, Poll: Spreading gloom about government; most dissatisfied with political system, *Washington Post*, August 11, 2011, [http://www.washingtonpost.com/politics/poll-spreading-gloom-about-government-most-dissatisfied-with-political-system/2011/08/10/gIQAXsUB7I_story.html?](http://www.washingtonpost.com/politics/poll-spreading-gloom-about-government-most-dissatisfied-with-political-system/2011/08/10/gIQAXsUB7I_story.html?n) n (Accessed 9 March 2012).

106. Ibid.



the GOP. Among independents, a plurality — 43 percent — volunteered that both sides are at fault.¹⁰⁷ Barely a quarter of those surveyed recently saying the federal government can fix the nation's economic problems and a large majority agreeing that the policymaking process is unstable and ineffective. A new Washington Post poll underscores the damage done to President Obama and both political parties by the long standoff over the debt ceiling and the weakened economy.¹⁰⁸ Half the country agrees with the assessment of the nation's financial situation rendered by Standard & Poor's, which downgraded the U.S. credit rating for the first time in history. The poll suggests that the decision by S&P had a powerful ripple effect, with 80 percent saying they had heard about the downgrading, and 45 percent saying they had heard "a lot" about it.¹⁰⁹ These results on population sentiments on socioeconomic development of the country is quite pessimistic and well reflects the general situation existed in the nation. Good and rational government from top to bottom of its management is most demanded factors in the country. People's protests and disagreement with the existing in the country situation is expressed in solid protests spread all around the country.

Protest Movements

Existing sharp socioeconomic situation brought about not only pessimism in the society, but upheaval of social protest. Most recent one became the Occupy Wall Street protests, started on 17 September 2011 with a few dozen demonstrators who tried to pitch tents in front of the New York Stock Exchange. Since then, hundreds have set up camp in a park nearby and have become increasingly lining up medical aid and legal help with their own newspaper, the Occupied Wall Street Journal.¹¹⁰ Anti-Wall Street protesters gain support nationwide.¹¹¹ Thousands of protesters were arrested on charges of disorderly conduct and blocking public streets as they tried to march over. It galvanized a slice of discontented America, from college students worried about their job prospects to middle-age workers who have been recently laid off.¹¹² The demonstrations against corporate greed and war, shows well that, certain social layers in the country are ready for political activities, and American political left appears to be getting new energy. According to Vice President Joe Biden, "the new movement, which has spread from Manhattan to other cities, has "a lot in common with the tea party." Both grew out of a profound sense that the political system was badly out of whack and the government was "bailing out the big guys" in the financial community, while failing to fix the problems of hard-pressed, ordinary Americans."¹¹³ Beyond that, there are broad and potentially growing similarities. Both movements are decentralized and nonhierarchical, driven largely by an alienated and outraged citizenry. Some Democratic strategists see a threat if Democrats get too close to a street movement with radical elements that remains highly unpredictable.¹¹⁴

107. Ibid.

108. Jon Cohen and Dan Balz, Poll: Spreading gloom about government; most dissatisfied with political system, *Washington Post*, August 11, 2011, http://www.washingtonpost.com/politics/poll-spreading-gloom-about-government-most-dissatisfied-with-political-system/2011/08/10/gIQAXsUB7I_story.html (Accessed 9 March 2012).

109. Ibid.

110. Ibid.

111. Anti-Wall Street protesters gain support nationwide, *MSNBC.com*, 6 October, 2011. http://www.msnbc.msn.com/id/44803689/ns/us_news-life/?ocid=ansmsnbc11 (Accessed 9 March 2012).

112. Ibid.

113. Paul West, Is Occupy Wall Street a Tea Party for Democrats? *Los Angeles Times*, October 06, 2011| <http://articles.latimes.com/2011/oct/06/nation/la-na-occupy-political-20111007> (Accessed 9 March 2012).

114. Paul West, Is Occupy Wall Street a Tea Party for Democrats? *Los Angeles Times*, October 06, 2011| <http://articles.latimes.com/2011/oct/06/nation/la-na-occupy-political-20111007> (Accessed 9 March 2012).

Georgetown University historian Michael Kazin, who writes about the American left, indicates that "in order for protest movement to sustain themselves, to become movements, and for those movements to have influence on American society and American politics, they have to come up with a strategy, organization, leaders."¹¹⁵

Actually it is a matter of time. If socioeconomic situation in the country will be further deteriorated, protests and protest movement will be strengthened, become more frequent, vigorous and radicalized. The USA has a long history of mediating and conciliation of political protests in the country, therefore presumably Obama administration will try to make this wave of protests less painful and less harmful for the country. For this reason he will activate social and economic reforms for proving better conditions of life and work and channel this way social unrest and disappointments.

Although the USA still preserves dominant position in financial and economic markets, it has significant crack in the foundation of its system, which is named external debt, trade deficit and sluggish development of economy. Actually America is transformed from world producer into world consumer. These and other very negative tendencies dealing with the efficiency of labor, income disparities, high unemployment, widening social and economic gap of population, corruption, growing pessimism of people brought about quite dangerous and detrimental tendencies in the society, coincided with transformation of the society from Industrial to Post-Industrial order within qualitatively changed international economic environment. Malfunctioning of the US economy automatically brings new vital forces in the international markets, provoking its restructuring and reformation.

There are number of explanation why America loses its dynamic position in the world: over militarization, corruption, bad management, economic cycles, and others, but there is additional factor less discussed in the literature. Problem might be as well in the level of countries' development. During Industrial society the USA practically was the sole producer of high quality goods in the world and easily dominated in the world markets. American Post-Industrial Society confronts sharpest competition from emerging economic powers BRIC countries, which actually experience the Industrial Society and only begin the process of transformation into the Post-Industrial Societies, so having advantages in production of industrial good.

Conclusions

Although the USA confronts sharpest socioeconomic and political problems, it still maintains positions of superpower. It is world's political, military, economic, financial, technological, intellectual and cultural leader.

The USA still is the biggest world trade centre and the largest consumer of goods.

It preserves world leadership in: publicly traded shares; consumption of goods (including electricity, oil, and gas). It has the largest stock of domestic credit. It is the biggest investor abroad and still most attractive country for foreign investments. Traditionally the USA is the greatest donor in the world. These factors explain well why world economy suffers when the U.S. economy confronts difficulties.

115. Jeff Swicord, "Occupy Wall Street Protests Spread across Country", *Voice of America*, October 08, 2011, <http://www.voanews.com/english/news/Occupy-Wall-Street-Protests-Spread-Across-Country-131377038.html> (Accessed 9 March 2012).



The USA had built up a strong industrial and technological infrastructure that had greatly advanced its military strength into a primary position on the global stage. The USA, with its transatlantic allies, is the leading one in creation world security systems through NATO. Through military and intelligence systems are provided protection of trade and cooperation interests of transatlantic countries.

The U.S. economic structure and, as a result, the structure of its society is a model of Post Industrial, Information Society, the most advanced in the world. Share of leading sectors of "Industrial economy": heavy industry, manufacturing, and farming significantly diminished, while services dramatically increased. Only the EU countries are very close to American balance. World indicators of GDP composition by sectors, as well as labor force distribution are lagging far behind the U.S. characteristics. But in the mean time, the U.S. system turns to be not efficient enough.

But regardless of these achievements USA suffers significant internal problems. **In domestic politics are traced some very negative tendencies.** The USA consumes much more, than it produces. Over militarization of the economy negatively influence the development of the country, as huge financial and intellectual resources are spent on war politics. There are also serious problems with transnational corporations, which are making huge investments in foreign states, and receiving maximum of profits. They export the capital and technologies to Asia, Latin America or Africa, where the labor force is much cheaper. While the U.S. companies are getting unprecedented benefits, it is often misused in stock exchange markets through risky speculations, negatively influencing on the domestic economy as a whole. The wealth is concentrated within business elite and not spread throughout American society. Outsourcing of capital significantly reduces the quantity of jobs in the USA, impoverishing the economy and the nation. Corruption and mismanagement is another challenge in domestic policy, which needs significant reformation of the existing system of country management.

If radical reforms will not be undertaken for cutting: unprecedented trade imbalance, national debt, high unemployment, and deteriorating living standards, these negative factors will further diminish consumption of goods and services, lacking investments in education, research and healthcare, create social instability in the country, provoking flee of capitals, shrinking tourist potential. Problems in internal politics will influence on the external politics, undermining the U.S. exceptional role in the world political processes.

Today real U.S competitors in economy are the EU and China. Although rates of economic growth of China and India are extremely high and in the nearest future China's GDP will exceed the U.S. and the EU wealth, it will not change dramatically situation in short rate term. Hardly China, India or even Russia are able to become a world superpowers, as only economic wealth is not enough to dominate in the world. Most important is ideological attractiveness, values and culture of the nation for billions of population in the world. Until these political regimes will not be deeply transformed to become more democratic and more attractive for progressive world, these countries will not be able to pretend on world leadership. Today China and Russia are bearing function of counterbalance in the world against the USA and the EU. But in long term rate, superiority in economy and finances of China and Russia might brought about significant basis for formation within these nations new political environment with new values and principles, ideology, which might be lucrative and attractive for other nations.



Military potential is another important variable for world domination. NATO countries' military superiority (with the US domination as the biggest contributor of its budget) is unprecedented and even in long term it might preserve its technological priority. But how efficient is or will be this huge military and bureaucratic machine is another important challenge for the USA and European countries.

Cascade of revolutions in Arab world, "Arab Spring", shows protests against authoritarian regimes, success of democratic values: free and transparent elections, human rights, rule of law and liberal democracy. The U.S. - EU influence and its cultural expansion toward East and South is obvious. Extension of the ideology of Democracy, including Digital Democracy is inevitable, as today there is no other ideology, which can really compete with the liberal democracy, regardless of its drawbacks and minuses. The Middle East once has been "the graveyard of empires" is gradually transforming into liberal democracy with all its difficulties and transitional consequences.

Tendency of convergence and further integration of the USA and the EU, two real superpowers according to its economic, political, military and cultural influence on the world, is actually inevitable, especially in today's context, unlike to the previous times, when after the World War II super powers were the rivals and confrontation was deadly dangerous. Today these super powers share the same ideology and they deeply and keenly depend on each other. The USA, as the EU, are on a qualitative new level of its development, but need transformation of its policy and politics for providing effective economy, finances and stable and harmonious development of social relations.

The main challenge faced by the United States will be managing the rational development of its domestic economy and politics: further stimulation of technological innovations and effective reformation of the system of governmental regulation; making it more balanced and rational; free from mismanagement, wasteful spending and corruption; oriented on development of medium and small businesses. Reformation of the existed system of political government and its regulation will be crucial for retaining, in the short and long term, the US world leadership.



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