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The Rise of Emerging Markets Signifies the End of the Beginning of the American Century: Henry Luce and the Emergence of Global Capitalism

From the vantage point of the greatest Wall Street crash since 1929, the ensuing 2008-2009 global financial crisis, the Great Recession, the Eurozone crisis, contrasted with the continued rapid economic growth of many emerging markets, most of all China, coupled with their growing confidence in global governance — Henry Luce's (1941) vision of an "American century" appears to be crumbling into dust. Many commentators assert that the 2017 inauguration of President Donald Trump may signify the final nail in the coffin of the liberal international economic order. This chapter, however, argues something very different. Instead of its implosion, the American century is only now being realized, after half a century of growing pains and challenges. Thus, the first decades of the twenty-first century marks the end of the beginning of the American century, as we are now closer to Henry Luce's original vision than ever before. In order to understand this, we must have a clear conception of what the American century is supposed to be, how it could only be partially achieved post-1945, with many challenges, and how the rise of emerging markets and their integration into global capitalism is precisely one of the main goals of the American century. Unlike too many commentaries on changing world order that focus mostly on the present and linear projections into the future, we must delve into the past and have a birds-eye view of the post-1945 world order to understand how to conceptualize the post-2008 rise of emerging markets — and whether this will lead to increasing cooperation or conflict.

Therefore, this chapter returns to Henry Luce's vision in the 1940s and in Section I sets out the parameters of what constitutes the American century — and we shall see that it was only partially realized from the 1950s to 2008. The key components of Luce's vision were only really achieved by the turn of the century with the collapse of state communism as an alternative growth model *and* the capitalist rise of emerging markets since the 2000s. We shall compare and contrast the stark differences between the first wave of emerging markets (or the Third World) in the 1950s to 1970s with the second wave post-2008. In short, during the first wave they challenged Western-dominated capitalism, but in the second wave they are integrating with this same order. And as the founding editor of *Fortune Magazine*, Luce was concerned with how American business could influence the world, what he considered to be the driving thrust of the American century. Section II of this chapter will therefore investigate to what extent American business has benefitted from the capitalist rise of others. We shall see that far from American decline and increasing conflict with the rise of emerging markets post-2008, we are now closer to Luce's vision of the American century than ever before.

Section I: Henry Luce's Vision of the American Century and its Partial Realization 1941-2008

While Dean Acheson and George Kennan, among other US state planners, actually designed American foreign policy in the 1940s, this chapter focuses on Henry Luce because he played an influential role in shaping elite opinion at the time, popularizing the concept of the "American century". Luce established a media empire that included widely read magazines such as *Fortune*, *Life*, *Time*, and *Sports Illustrated*. His seminal article in *Life Magazine* published in February 1941 (1999), *The American Century*, was a call-to-arms for his fellow American elites to once and for all abandon what he saw as the disastrous American policy of "isolationism" since the end of the Great War. Professing the heights of liberal capitalist idealism, Luce proclaimed that this was a golden opportunity to spread American business, culture, knowledge, and values around the world, allowing the world to share in the American dream and prosperity, the good life of mass consumerism and democracy. This was not self-less idealism, as Luce argued that this liberal internationalism would be in the best interests of the United States and American business, while a return to isolationism would lead to further chaos, war, and economic catastrophe. Thus, he called upon his fellow Americans to "accept wholeheartedly our duty and our opportunity as the most powerful and vital nation in the world and in consequence to exert upon the world the full impact of our influence, for such purposes as we see fit and by such means as we see fit" (Luce 1999, 165).

Luce proclaimed that the purpose "for America and for America alone [is] to determine whether a system of free economic enterprise…shall or shall not prevail in this century" (1999, 169). Especially after the Second World War, the primary threat to the expansion of capitalism was of course its main alternative, communism, as led by the Soviet Union. As for the means, in Luce's post-war writings, he argued, "The U.S., possessing industrial production roughly equal to that of all the rest of the world, is alone capable of producing and exporting the machinery and skills" that are necessary to roll back what many American elites regarded as the increasing "communization" of the world (1947, 82). The primary agents with this role were what Luce regarded as "battalions for freedom": the giant American corporations that would, beginning in 1955, comprise the annual *Fortune 500* list, from Standard Oil of New Jersey (the precursor to today's ExxonMobil) to Ford and General Motors, from General Electric to IBM and smaller firms such as Gillette Safety Razor (1947, 189). Luce argued that if these American "battalions for freedom" follow their "enlightened self-interest" rather than "ruthless exploitation", the more prosperity they allow others to have, the more they can buy American goods (1947, 84). This is a crucial point for considering the current capitalist rise of emerging markets, as many commentators assume a zero-sum world of others rising thereby causing the US to automatically decline.

Luce's vision, then, was far grander than mere international trade (albeit he thought that was vital too), but encompassed foreign direct investment leading to the establishment of a global mass consumer market open to American goods. In other words, the foundation of the creation of the American century is the protection and promotion of global capitalism, making the world safe for American business to, in his mind, work their magic building global prosperity. To achieve this, the US would revive other capitalist economies, which would not become a threat to the US, but a boon for all concerned (as long as they remained open). For example, like other American elites, Luce was an early proponent of European integration. In 1950 he argued that, under the "makeshift slogan" of "integration", the US should urge "the Western Europeans to create a common economy of 250 million people…so that in essential respects the European economy will more closely resemble the American" (1950, 60). Again, this was "enlightened self-interest", as Luce asserted that a "virtuous circle" would be created because the "more prosperous and competitive is Europe, the more profitably and freely can Europe and America" do business (1950, 60). Given the recent history of the first half of the twentieth century, this was a bold and indeed visionary claim for an American elite to make in 1950.

In sum, then, the American Century is the protection, promotion, and expansion of global capitalism under American influence and leadership, deepening global capitalist integration driven by American corporations. The more of the world's population that falls under this sphere of capitalist influence, the greater this vision will be realized. The capitalist rise of others is a sign of the success of the American Century, not its downfall, as long as these rising countries are open to American business and influence, and are integrated into this system of global mass consumerism.

While Luce was unwavering in the grandiosity of his vision, from the vantage point of the 1940s he knew that his American Century would be a tall order to implement across the entire world. Luce recognized that "for political reasons, half the world is probably out as a field for direct American investment: Russia and the Russian-dominated countries of Eastern Europe, northern China and Manchuria, most of India, Germany and Japan, Korea, and Indo-China" (1947, 189-190). In fact, I argue that these "political" challenges would only intensify over the next several decades. Not only were there communist revolutions in China and Cuba that nationalized and kicked out capitalist firms, but there were also a slew of anti-Western, national independence and/or anti-capitalist movements across Africa, Asia, and Latin America in the 1950s to 1970s (Prashad 2008). As Bruce Cumings put it, these "anti-colonial revolutions that had won or were winning power throughout the Third World gave a towering influence to a variety of Third World leaders (Mao, Ho Chi Minh, Kim Il Sung, Patrice Lumumba, Castro, Quadaffi) that would be unimaginable [by the turn of the century]" (Cumings 1999, 274).

There were also collective efforts such as the Non-Aligned Movement (NAM), established first by Egypt, India, Indonesia, Ghana, and Yugoslavia in 1961 (with origins in the 1955 Bandung Conference, Indonesia) to chart a national state-led development path — and a New International Economic Order (NIEO) in the 1970s — that was independent from both the United States and the Soviet Union. Parallel to NAM with similar goals were the formations in 1964 of the Group of 77 (G77) in the General Assembly of the United Nations and the United Nations Conference on Trade and Development — both of which also supported the NIEO. The Organization for Petroleum Exporting Countries was founded in 1960 in the context of rising Arab nationalism and socialism, and specifically the attempt to wrest control of domestic oil production and prices from Western transnational corporations (what were then called the "Seven Sisters").

In short, in the decades following Luce's proclamation of the American century, the bulk of the Eurasian landmass was effectively closed to American business and much of the rest of the Third World was attempting to decouple from their dependence upon Western capitalism. From the vantage point of the contemporary *capitalist* rise of the BRICS and other emerging markets, it is perhaps easy to forget how much of a challenge to the prevailing Western-dominated capitalist order this first wave of the rise of the Third World attempted to present. Indeed, combined with economic recession and stagflation in the US itself in the 1970s along with uncertainty over the international monetary order because of the US unilaterally ending the dollar-gold standard in 1971, many saw American hegemony as either already finished (Kindleberger 1969; Rosecrance 1976; Keohane 1984; Cox 1987) or in terminal decline (Amin et al 1982; Kennedy 1988).

Ironically, despite the conventional wisdom on American decline in the 1980s, by that decade the Third World challenge had largely collapsed. There were a variety of reasons such as fragmentation as a result of economic crisis and their implementation of the IMF's Structural Adjustment Programs, which, along with "neoliberalism" (Harvey 2005) more generally, dismantled core features of national state-led development and import-substitution industrialization with privatization and liberalization. Also important were a slew of American covert and overt military interventions in countries that sought a nationally independent development path, such as Iran in 1953, Guatemala in 1954, Congo in 1961, Brazil in 1964, Indonesia in 1965, Chile in 1973, among others, not to mention dropping more bombs on Indochina than in World War II combined (Blum 2004). Moreover, the First World was ultimately unable to present a unified front against the United States to create an alternative monetary order (Germann 2014; Gowan 1999), and the US dollar remains the *de facto* world currency today, a source of immense power for the United States to live beyond its means (Cohen 2015). As a consolation, the US helped to establish both informal and formal forums and institutions (such as the World Economic Forum in 1971, the Trilateral Commission in 1973, the Group of Five in 1974 eventually leading to the Group of Seven in 1976, among others) to collaborate in what is now called "global governance" — the collective management of global capitalism by the world's elites. And by the 1980s the United States grew out of its stagflation.

Nevertheless, even in much of the world that ostensibly *was* open and welcoming to American direct investment, given that the vast majority of the world's population was still peasants, Luce lamented, "business activity does not touch the mass of the people or touches them so little as to be of no importance either to them or to business" (1950, 60). Therefore, Luce argued that the US must "get all the people in the world, or as many of them as we can, functionally related to a business economy", which would "mean a vast Reformation in the world's ways of earning its living" (1950, 60-61). This effort would later be called "modernization" (Rostow 1960) and "international development" (Leys 1999), and by the 1970s was driven by the IMF (Chossudovsky 1997) and World Bank (Cammack 2004), among other development agencies whether governmental, intergovernmental, or nongovernmental. Nevertheless, living standards in many Third World countries in the 1980s and 1990s, especially in Africa and Latin America, actually declined. It was still far from clear whether the masses of the Third World would be successfully integrated into global capitalism as consumers.

For these reasons alone it is difficult to argue that the American century was successful as a global project until at least the collapse of the Third World challenge and the opening of China by the 1980s, and the collapse of the Soviet Union in 1991. Hence it was only in the 1990s that capitalism became truly globalizing, as the vast majority of the world became open to American business and investment. After Luce called for the speedy resolution of negotiations for the establishment of an International Trade Organization (1947, 83), due to a lack of consensus it quickly dissolved into a General Agreement on Tariffs and Trade, and could only be achieved half a century later in 1995 with the establishment of the World Trade Organization (WTO). Nevertheless, it was not yet clear in the 1990s whether emerging markets were indeed emerging, especially with robust mass consumer markets, which at minimum require enough workers to have a steady income. Rather, many countries were still struggling to grow in the 1990s, with especially Latin America and East Asia plagued by financial crises, coupled with Russia and much of Eastern Europe mired in a great depression. Moreover, China's integration with global capitalism as "workshop of the world" was still in its early stages, with its export- and urbanization-driven growth accelerating rapidly only after China joined the WTO in 2001, spurring the commodities supercycle that in turn stimulated the rise of numerous emerging markets (Starrs 2014).

The 2008 Wall Street crash and ensuing global financial crisis revealed two important features of the emerging twenty-first century world order: 1) Far from having decoupled, emerging markets were by then deeply integrated into global capitalism in general and Wall Street in particular, as the crisis rapidly spread around the world; and 2) Emerging markets were fully committed to driving global (capitalist) growth as the West was mired in crisis (Cammack 2012). China especially led the recovery for many countries by implementing the second largest government stimulus after the US, as well as increasing its IMF quota and being active in the newly resuscitated G20. China also pushed for the establishment of new non-Western-centric gatherings and organizations, such as the BRICS Summit and Asian Infrastructure Investment Bank, the ramifications of which will be discussed in the conclusion.

That China's growth began to slow from 2013 while other major emerging markets, such as Brazil and Russia, have since been mired in recession, should not detract from the fact that essentially the entire planet is now, post-2008, integrated into global capitalism (Kiely 2016), in a way that validates Luce's vision of a world open to American business. That the key problem for emerging markets after the end of the commodities sypercycle is whether they can restructure their political economies towards sustained consumer market growth symbolizes the end of the beginning of the American century. But why call it the American century when the US appears to be in relative economic decline vis-à-vis emerging markets in the aftermath of the 2008 Wall Street crash? This would only make sense if the US continued to benefit disproportionately from the consolidation of global capitalism into the twenty-first century. We must now turn to the data.

Section II: American Capital and the Rise of Others — Investigating the Data

Robert Gilpin (1975) already argued in the 1970s that as American corporations expand abroad through foreign direct investment, they spread American knowledge and technology, allowing foreign competitors to catch-up thereby diffusing their original market dominance. Luce, however, assumed that the US would continue its dominance as others become more prosperous, as the US would be able to benefit from the rise of others by creating more business for American corporations (his "enlightened self-interest"). Thus, after decades of expanding and deepening operations abroad coupled with the rise of East Asia, have American firms lost their technological dominance to foreign competition?

The following four tables attempt to compare American dominance over half a century in four broad sectors that are crucial for advanced knowledge and technology: 1) Auto & Parts; 2) Information Technology; 3) Aerospace & Heavy Machinery; and 4) Pharmaceuticals & Specialized Chemicals. There are a variety of metrics to measure corporate dominance, such as assets, sales, and market value relative to competitors, but in the following tables I choose relative profit-shares in each sector because accumulation of profit is the primary goal of capitalist firms — and high profit margins often indicate advanced knowledge and technology (as well as successful marketing). Indeed, firms will sometimes sell or disinvest (rather than grow) assets, shed employees, and reduce production in order to boost profit. On the other hand, firms may also temporarily suffer reduced profit or even a loss while they restructure in order to boost long-term profitability. The largest firms that can sustain prolonged losses may have a competitive edge over firms that cannot afford to temporarily reduce profit. Hence there is a degree of arbitrariness to any single metric and a variety of factors must be considered, both quantitative and qualitative.

Furthermore, there are a number of difficulties when comparing corporate competitiveness across the world since the beginning of the post-war period. Most of all, we lack consistent and comprehensive data stretching back to mid-century. In the following tables, I draw upon the annual corporate rankings pioneered and compiled by Luce's very own *Fortune Magazine*. Its international corporate lists by profit only begin in 1963, and only of the world's top 200 industrial firms (whereas *Fortune*'s first list, of the top 500 *American* firms by revenue, begins in 1955). The following four tables, then, present the rankings by profit in 1963 and 2016, the latest year at the time of writing. We should take note, however, that the early years of the annual rankings have an American bias, since *Fortune*'s American staff had easier access to corporate annual reports from American firms over foreign firms, especially those based in non-English speaking countries. In addition, accounting standards — including how profit is calculated — vary and have changed numerous times since 1963 both within a single country and between different countries. Indeed, increasing international standardization in accounting and reporting rules is one aspect of globalization, not to mention the introduction of capitalism itself in China and the former Soviet Union. These rankings are also affected by currency fluctuations as non-US values are converted to US dollars. For example, in 1994 with sharp yen appreciation, the "sales of 94 Japanese companies [on the *Global 500* list] went up in dollars, down in yen" (*Fortune* 1994, 143). There are also vastly divergent rates of inflation across time and countries.

Moreover, there has obviously been significant technological dynamism since 1963, creating entirely new sectors, markets, and businesses, while also destroying or diminishing the competitiveness of other firms or entire industries. In 1963, for example, canning firms such as American Can and Continental Can could still make similar profit to aerospace firms such as Lockheed Aircraft and Martin Marietta, all between $41 million and $50 million. The United States had been dominant in the canning industry since the nineteenth century, but the fact that this American dominance has dissipated since the early 1960s does not necessarily indicate lost American competitiveness at the technological frontier. Rather, it is the industry itself that has lost competitiveness as technological advancement accelerated, reducing the canning industry to low value, low technology status (textiles is another example). This "creative destruction" (Schumpeter 1994) is especially the case in what constitutes the most advanced technologies at any given time, information technology being one of the key examples (helping to propel globalization itself). Thus, the following sectors are meant to be sufficiently broad to account for significant technological dynamism over the past half-century, including within a single firm such as General Electric, which has shifted its core sectors from household appliances to airplane engines and other heavy machinery over this period.

[*insert Table 1 here*]

We begin with the Auto & Parts sector, as Table 1 reveals the top 10 firms in the world by profit in 1963 and 2016, and their aggregate national profit-shares. The era in which the American profit-share could be a staggering 93% of the top ten firms in Auto & Parts is certainly long gone. So too is the utter dominance of General Motors (GM), more than triple the profit of its nearest competitor, Ford. After half a century, the global auto sector is much more geographically fragmented, with Japanese, German, and American firms representing the leading nationalities, and Chinese and South Korean firms rounding out the top ten. The exponential increase of the profits of Japanese and German carmakers in this period is also staggering, from 173 times larger for Daimler (from a profit of $54 million in 1963 to $9.345

billion in 2016) to 642 times larger for Toyota (from $30 million to $19.264 billion in the same period). Of course, some proportion of this increase will be accounted for by currency fluctuations and inflation. Regardless, clearly non-US firms have benefitted from the expansion and deepening of global capitalist production and consumption over the past half-century, as 70% of Toyota's and 85% of Daimler's sales in 2015 were conducted outside their home country (author's calculations from UNCTAD 2016, Annex Table 24).

Nevertheless, despite much turbulence over the decades that has seen the rise and decline of British, French, Italian, Swedish, and other carmakers, coupled with the rise of Northeast Asian firms, GM is still the number two firm by profit in 2016 and Ford is still number four (down from second in 1963). Moreover, 31% of GM's and 38% of Ford's sales in 2015 were outside of the United States (author's calculations from UNCTAD 2016, Annex Table 24), implying that they have also benefitted from the expansion and deepening of global capitalist production and consumption. Indeed, GM's January 2017 market share in China, the world's largest automobile market by volume since 2009, is 14%, second only to Volkswagen's 19%, and equal to the top three Chinese brands combined: Changan, Geely, and Great Wall (author's calculations from ChinaAutoWeb 2017). In 2014, the Ford Focus was "China's best-selling car" (Mitchell 2014). Also note that while SAIC's 2016 profit is the seventh largest in the world, its joint ventures with GM and Volkswagen account for 95% of its sales, with its own brand cars accounting for 3% (SAIC Motor 2016, 14).

[*insert Table 2 here*]

Table 2 presents the top ten firms in Information Technology. This sector has been one of the most dynamic over the past half century, not only driving the information technology revolution that has underpinned globalization but also creating entirely new sub-sectors and markets, as well as destroying others. Hence we should expect a high degree of sectoral churn, which is what we see in Table 2 as there is only one firm that is on both top ten lists separated by 53 years: IBM, from largest profit in 1963 slipping to fourth in 2016. Indeed, IBM is the only firm in the top ten of 2016 that even existed in 1963 (Samsung Electric Industries — which restructured as Samsung Electronics in 1988 — was founded in 1969, albeit its primary owner, the Samsung Group, was founded in 1938). Therefore, given the revolutionary changes in and by this sector over the past half-century, including to a significant degree driving the rise of Northeast Asia, it is astounding that the American profit-share is relatively the same in 1963 (86%) as in 2016 (80%). This American dominance is all the more remarkable when considering that the US dollar against a basket of major currencies has devalued by about a third over this period (Federal Reserve Bank of St. Louis 2017), thereby increasing the relative value of non-US profit-shares against the US when converted to dollars. And it should not be surprising that the sector that largely developed the technology to propel globalization has also benefited greatly from globalization. For example, 65% of Apple's, 90% of Samsung Electronics', 54% of Alphabet's (Google's holding company), 53% of IBM's, 54% of Microsoft's, and 55% of Oracle's sales are conducted in foreign countries (author's calculations from UNCTAD 2016, Annex Table 24).

[*insert Table 3 here*]

Table 3 reveals another important sector for advanced technology: Aerospace and Heavy Machinery. The American profit-share has declined by over a fifth, from 84% in 1963 to a still dominant 66% in 2016 (despite the US dollar depreciating by a third). Moreover, General Electric (GE) suffered a loss of $6.126 billion in 2016 largely due to restructuring (Fortune 2016, 26: General Electric). In contrast, GE's profit in 2015 was $15.233 billion, more than double its chief competitor Siemens' profit of $7.288 billion in 2015. The corresponding American profit-share of Aerospace and Heavy Machinery in 2015 was 76% while Germany's was 13% (author's calculations from *Fortune Global 500* (2015)) — a small change from 84% in 1963. Moreover, despite GE's steep 2016 loss of over $6 billion, investors seem to believe that GE's restructuring will be successful as its share price increased 25% in that same year (Fortune 2016, 26: General Electric). All of this is to say that while the American profit-share in Aerospace and Heavy Machinery has declined over the past half-century, American firms continue to dominate the top ten of this sector with more than two-thirds of the profit. Firms in this sector have also benefitted from globalization, as 77% of Siemens', 55% of GE's, and 45% of United Technologies' sales were conducted abroad (author's calculations from UNCTAD 2016, Annex Table 24).

[*insert Table 4 here*]

Table 4 presents another sector that has seen a high degree of technological and competitive dynamism, with only two firms in the 1963 list remaining in the 2016 list (Procter & Gamble and Dow Chemical). Technological advances have been especially prominent in the sub-sector of biotechnology since the 1980s (when Gilead Sciences and Amgen were founded, the number one and nine firm by profit in 2016). More generally, pharmaceuticals have risen in importance in the *Fortune 200* in terms of profitability relative to other sectors, such as automobiles as seen in Table 1. Concomitantly, there has been a declining importance in industrial chemicals for advanced technology and profitability, with Dow Chemical the only relevant firm remaining in the top ten in 2016 from 1963 (incidentally, retaining its sixth place across those two years). Driving some of these changes are British and especially Swiss firms, the latter accounting for a quarter of the profit in Pharmaceuticals & Specialized Chemicals. Nevertheless, similar to what we saw in Aerospace & Heavy Machinery, American firms still collectively dominate the top ten with a 63% profit-share in 2016, despite declining over a quarter from 87% in 1963. Unsurprisingly, this sector has also benefitted from globalization in terms of foreign as a proportion of total sales, especially Swiss (Novartis' 98% and Roche's 99%) and British (GlaxoSmithKline's 94%) firms, but also American, from 63% for Procter & Gamble and 56% for Pfizer to Johnson & Johnson's 49% and Amgen's 20% (author's calculations from UNCTAD 2016, Annex Table 24).

The next four tables exhibit the same sectors and firms as the previous four tables, but present the three largest national ownership shares of each of the top ten firms in 2016, as well as the three largest average national ownership shares of the top ten in aggregate. The following four tables reveal an aspect of globalization that is little commented upon: the increasing liberalization of finance since the 1980s (in large part driven by the US) around the world has allowed American investors to collectively own sizable shares of non-US firms by the early twenty-first century. Thus, even if the relative aggregate dominance of the American profit-shares in certain (but not all) sectors is less overwhelming than half a century ago, American investors own not only firms based in the United States, but also increasingly firms based outside of the United States. This aspect of globalization has significant implications for the continued centrality of the United States in global capitalism, as we shall see below. But first, let us investigate to what extent American investors own the top ten firms in each of these four advanced sectors.

[*insert Table 5 here*]

Table 5 reveals diversity in the concentration of national ownership shares, from a high of 98% Chinese ownership of the Chinese state-owned enterprise SAIC Motor to the widely geographically dispersed ownership of Daimler. All Chinese state-owned enterprises are majority Chinese state-owned (in the case of SAIC Motor, the Chinese state owns 88%). Also note the predominant aggregate ownership of American investors of American firms (87% of GM and 85% of Ford), as well as the considerable American ownership of German, Korean, and Japanese carmakers — ranging from almost a fifth to over a third. Thus, on average American investors own 35% of the top eight firms in Auto & Parts (the ownership structures of the ninth and tenth firms are unavailable due to not being publicly listed). This is the largest national aggregate share by almost 300%, and significantly larger than the 25% American profit-share of the top eight in this sector. By contrast, the Japanese profit-share of 35% of the top eight is not matched by the average Japanese ownership of 9.6%, nor the average German ownership of 8.1% despite the German profit-share being 24%. This indicates that in terms of the globalization of the corporate ownership of the world's top carmakers in 2016, American investors have benefitted more than any other nationality. Similarly, note the national asymmetry in ownership shares, as American investors own much more of foreign capital than foreign investors own of American capital.

[*insert Tables 6, 7 & 8 here*]

Table 6 reveals that average American ownership in Information Technology is even more predominant at 72%, more than ten times its nearest rival of South Korea with 7%. Again, American firms have an overwhelming concentration of American ownership, from 79% of Cisco to 87% of Alphabet. In contrast, non-US firms have less concentrated national ownership, even if the Korean share of Samsung Electronics is still dominant at 63%. American investors, however, collectively own 18% of Samsung Electronics and 42% of Taiwan Semiconductor, whereas Taiwanese investors own less than a quarter of the latter despite being based in Taiwan. Table 7 reveals that American ownership of firms in Aerospace & Heavy Machinery is even more pronounced that in previously discussed sectors, with an average 88% American ownership of the top seven US-based firms. Of the remaining three non-US firms in the top ten, American investors collectively own the leading national share in Siemens (32% versus Germany's second largest share of 20%) and Airbus Group (39% versus France's 22%), while American ownership of Fuji Heavy Industries is almost a fifth (the second largest share). Likewise, Table 8 demonstrates the disproportionate American ownership of the top Pharmaceuticals & Specialized Chemicals firms, including 43% of the Swiss firm

Novartis and 41% of the British firm GlaxoSmithKline — albeit the American share of Roche Group is miniscule at 0.6% while the Swiss share is overwhelming at 93%. The average American ownership of the top ten is 67%, more than five times larger than its nearest national rival, Switzerland's 13%.

There is an important caveat, however, to Tables 5-8. They list the aggregate nationality of corporate owners, gleaned from the *Bloomberg Professional* database. This database lists all known shareholders of each corporation, both individually and in aggregate by nationality. The shareholders of these corporations range from individual persons and families to investment firms (of many types), other corporations to the state — their nationality is based on their citizenship for individuals and their legal domicile for firms. The shareholders that are investment firms, however, manage the wealth of many individuals, and these individuals could be from around the world. For example, while Goldman Sachs is legally domiciled in the United States and thus given the nationality of "American," it manages the wealth of individuals from many nationalities, implying that corporate ownership by Goldman Sachs does not necessarily exclusively equate with the corporate ownership of American households. Wall Street firms do not publicly release the identity of their clients, so the proportion of their clients being American or any other nationality is unknown.

What we do know, however, is that of the world's $168 trillion of total household wealth (excluding primary residence) in 2015, only $9.8 trillion, or 6%, is managed offshore, in a country other than the household's domicile, according to Boston Consulting Group (2016, 11). Of this $9.8 trillion of offshore wealth, American households only account for $700 billion, which is around 1% of total American household wealth. In other words, 99% of American household wealth (excluding primary residence) is managed by US-domiciled firms — namely, Wall Street. The largest recipient of offshore wealth is Switzerland, holding just under a quarter of the $9.8 trillion, followed by the UK and the Caribbean (Boston Consulting Group 2016, 12). Hence, even if specific investment firms such as Goldman Sachs might manage a higher share of foreign wealth than others, in aggregate, the overwhelming majority of wealth managed by investment firms is ultimately owned by those domiciled in that firm's nation — with the exceptions of wealth managers based in the Caribbean, Luxembourg, Singapore, Switzerland, and other offshore centers, which predominantly manage the wealth of non-citizens (Boston Consulting Group 2016, 11). Thus, because 94% of the world's total household wealth of $168 trillion is managed *onshore* by firms of the same nationality as their clients, it is safe to assume that the aggregate American ownership shares of the world's top corporations exhibited in Tables 5-8 indeed overwhelmingly represents the ownership shares of American households, and so on for most national ownership shares (except for offshore wealth centers led by Switzerland) — even if the exact proportions are unknown.

[*insert Figure 1 here*]

To further emphasize this point, Figure 1 presents the national shares of the world's millionaires (those individuals with a net worth of US$1 million or more, including primary residence), as a proxy for the world's capitalists. Despite American GDP accounting for "only" 24% of world GDP in 2015 (author's calculations from World Bank 2016), American citizens account for a whopping 46% of the world's millionaires. This shockingly high proportion makes sense when we understand that American capitalists own not only American capital, which remains globally dominant after the 2008-2009 global financial crisis (Starrs 2013), but the globalization of corporate ownership has allowed Americans to own capital based around the world, including even increasingly Chinese SOEs (Starrs 2017). More generally, Figure 1 reveals the continued national concentration of global wealth, which I argue is a reflection of the continued national concentration of corporate dominance, as seen in Tables 1-4.

In sum, across the four advanced sectors investigated in Tables 1-4, American firms continue to collectively dominate in Information Technology, Aerospace & Heavy Machinery, and Pharmaceuticals & Specialized Chemicals, with over 60% profit-shares in 2016. Indeed, despite great dynamism and creative destruction in Information Technology, the proportion of American dominance has barely changed from 86% in 1963 to 80% in 2016, especially when considering that the US dollar depreciated by a third across that period. American firms, however, have lost their collective dominance in Auto & Parts since the early 1960s, with intense competition from especially German and Japanese carmakers. A number of major industrial countries have attempted to protect and promote an indigenous automobile industry over the decades, a sector that is traditionally seen as symbolizing advanced industrial prowess. This has resulted in the geographic diffusion of technology and competitiveness, especially to East Asia. Nevertheless, GM and Ford are still second and fourth, respectively, largest carmakers by profit in

2016 — remaining globally competitive over the past half century, if no longer dominant.

Regardless, it should be noted that the auto sector itself has diminished in importance in terms of profit and more broadly as a driver of advanced industrial growth, as electronics and software become the most important components to differentiate twenty-first century cars. In 1963, the total profit of the top ten Auto & Parts firms was 2.7 times larger than the total profit of the top ten Information Technology firms. By 2016, this ratio reversed, with the total profit of the top ten firms in Information Technology being 2.1 times larger than in Auto & Parts. Similarly, in 1963 the total profit of the top ten firms in Pharmaceuticals & Specialized Chemicals was half that of the top ten in Auto & Parts, and in 2016 it was 44% larger than Auto & Parts. In these more important sectors by profit American firms continue to collectively dominate.

Moreover, the globalization of capital has also entailed the globalization of corporate ownership, and especially the globalization of American ownership of top corporations from around the world. Tables 5-8 not only reveal the overwhelming concentration of American ownership of American firms, but also sizable shares of foreign firms, often ranging from a fifth to more than two-fifths of Swiss-based Novartis and Taiwan-based Taiwan Semiconductor. No other nationality comes close to this magnitude of American corporate ownership, and is a little commented upon aspect of how American investors in the age of globalization have benefitted from increasing liberalization of financial markets and capital controls around the world. This is at least partially reflected in the continued concentration of global capitalist wealth in the United States. Figure 1 shows that in 2015, American millionaires constituted 46% of the world's, despite Americans accounting for only 4.4% of the world's population as opposed to 6.4% in 1945 (the supposed height of American hegemony), and 24% of the world's GDP (down from roughly half in 1945). I have argued elsewhere (Starrs 2013) that American economic power has not declined, it has globalized — and this is key to understanding the decades-long realization of the American century with the rise of the BRICS in the era of globalization.

Conclusion: Post-2008 is the Beginning of the End of the American Century

In the context of increasing Chinese confidence and influence in the global political economy after the 2008-2009 global financial crisis, it may seem strange to argue that the American century is only now being realized. But once we recognize that China (along with the rest of the "Third World") has long since abandoned its anti-capitalist resistance and is now negotiating the terms of its integration into global capitalism, with its domestic market more open to American business and influence than ever before, we are much closer to Luce's vision of the American century than at any point during its supposed height in the immediate post-war period. In the 1950s and 1960s, even if China was open to American business (which of course it was not), today's far more prosperous Chinese consumer market (if still limited and rife with inequality) is much more beneficial to American corporate interests than a vast peasant society largely untouched by mass consumption. As we saw, this is precisely what Luce envisioned in the 1940s as a distant goal, to integrate the world's peasant societies into global capitalism as workers and consumers, which only truly became realized by the 2000s with the capitalist rise of the BRICS and other emerging markets (Cammack 2004, 2012) — to an extent surely beyond the dreams of even the ever optimistic Luce.

And American firms have certainly benefitted from the rise of a global consumer class, as have firms from other capitalist powers, including increasingly China. Indeed, it is this mutual interest between the world's capitalist powers in expanding and deepening global capitalism that in large part explains its durability since the middle of the previous century (Panitch and Gindin 2012). Luce recognized this mutual interest in the 1940s in regards to Europe and the US, but, after many challenges over the ensuing decades as outlined above, this structural alignment of capitalist interest is only now truly global with the capitalist rise and integration of the former Third World. The contrast between the efforts of the Non-Aligned Movement in the 1960s and 1970s to decouple from Western capitalism with the efforts of the BRICS and especially China today to integrate with global capitalism is remarkable.

Of course, there are still disagreements over the terms of emerging market integration and global governance remains a contested and evolving process (Parisot 2013). Most notably, China is seeking to increase its international influence by establishing non-Western-centered international organizations to provide infrastructure funding — namely, the New Development Bank (or colloquially known as the "BRICS Bank") in 2014 and the Asian Infrastructure Investment Bank (AIIB) in 2015. The latter was especially seen as a direct challenge to American hegemony and the Bretton Woods institutions. In 2015, despite American pressures to eschew membership, a slew of Western countries, beginning with Great Britain, joined the AIIB — marking an embarrassing diplomatic flop for the United States. But after the initial hubbub over supposed American decline had subsided, what is notable is how careful the AIIB is to not appear to threaten the Bretton Woods institutions. Article 1.1 of the AIIB's Articles of Agreement states that it seeks to "work in close collaboration" (rather than challenge) prevailing multilateral institutions (AIIB 2015), and various announcements have been made of areas and projects in which the AIIB and Bretton Woods institutions will cooperate (AIIB 2017). Moreover, both the AIIB and BRICS Bank will dispense financing in US dollars rather than any other currency, and the development contracts will presumably be open to bidding from international firms (not exclusively Chinese SOEs as in most of its bilateral development projects). Hence, even though it is still early days, it seems likely that the AIIB and BRICS Bank will help to further integrate emerging markets into global capitalism (and deepening the global role of the US dollar), giving especially China a role in international infrastructure financing, and normalizing their increased participation in global governance.

Meanwhile, China is still a robust member (including financial donor) of all the major international organizations created under the aegis of American hegemony, perhaps most notably the IMF and WTO. That Xi Jinping made China's first presidential address at the 2017 World Economic Forum in Davos, Switzerland (established in 1971 during the height of and partially as a response to the rise of the Third World challenge), and used his address to defend globalization and economic openness, is a stark realization of how far the desire for Third World decoupling has transformed into embracing and even defending global capitalism. Luce would have been proud, and this transformation is certainly in the interests of American business.

This stark difference between the first and second waves of the rise of the Third World half a century ago and today also points to the flexibility of American hegemony. The belief in the importance of maintaining and expanding global capitalism for the American national interest has remained relatively consistent for American elites since 1945 (having vanquished "isolationists" with the destruction of World War II). Thus, the US has also been relatively flexible in its hegemony (compared to previous hegemons). This is especially the case in the American capacity to integrate (or co-opt) rising powers into a collective management of "global governance". The establishment of the G7 in the 1970s and G20 post-2008 are prime examples. In fact, this American flexibility extends to encouraging the very rise of its potential rivals, whether Japan and West Germany in the early post-war period or China today — as long as these countries allow the expansion of American business and influence within their borders (even this can be flexible, as the US tolerated Japanese protectionism for decades, in order to revive Japanese capital).

A genuine challenge to American hegemony would be if other countries moved to decouple from the American-centered system, in order to carve an alternative regional or world order. That the Latin American challenge of the 2000s led by the late President Chavez of Venezuela was never able to decouple from the American system despite their best efforts reveals how tall a task this is. The Soviet Union came the closest to posing such a threat for several decades, but its remnants have now embraced global capitalism, along with what used to be called the Third World. The fragmentation and depoliticization of the latter into "developing countries" and "emerging markets" is by now so thorough that we take for granted their embracing of and desired integration with global capitalism. Capitalists of the world have united under the banner of globalization, spurring a structural alignment of class interest in maintaining the American century.

If systemic change will likely not come from the world's capitalist classes, then what of the world's working classes? Political shockwaves rippled through 2016 with the Brexit vote in June and the election of Donald Trump in November, both events often interpreted as the cries or anger of the working class against decades of globalization. Contrary to Luce's assumptions, what is in the interests of big business is often not compatible with the interests of the working class, with profit-oriented polices and practices leading to soaring inequality, precarious employment, and continued environmental degradation. What Luce did correctly surmise, however, is that the American lifestyle of mass consumerism and the anesthesia of the American dream could be effective antidotes to working class unity challenging capitalism. Clearly national diversity and localizations remain, but we are closer than ever to spreading American-style mass consumerism across the world, a great boon for American, as well as many foreign, corporations — as well as a great distracter and coopter for the working classes of the world. Nevertheless, history is still being written, and the emergence of working classes with the capitalist rise of emerging markets may create new opportunities for international solidarity and resistance, as more people realize the negative effects of capitalist globalization (Bond and Garcia 2015). It is all the more important to understand, then, the increasing emerging market cooperation in expanding and deepening global capitalism post-2008. After a multi-decade detour down the road of attempting to decouple from Western capitalism, the capitalist rise of emerging markets — far from an eclipse — signifies only the end of the beginning of the American century.

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