

The Rise of the Rest

This is a book not about the decline of America but rather about the rise of everyone else. It is about the great transformation taking place around the world, a transformation that, though often discussed, remains poorly understood. This is natural. Changes, even sea changes, take place gradually. Though we talk about a new era, the world seems to be one with which we are familiar. But in fact, it is very different.

There have been three tectonic power shifts over the last five hundred years, fundamental changes in the distribution of power that have reshaped international life—its politics, economics, and culture. The first was the rise of the Western world, a process that began in the fifteenth century and accelerated dramatically in the late eighteenth century. It produced modernity as we know it: science and technology, commerce and capitalism, the agricultural and industrial revolutions. It also produced the prolonged political dominance of the nations of the West.

The second shift, which took place in the closing years of the nineteenth century, was the rise of the United States. Soon after it industrialized, the United States became the most powerful nation since imperial Rome, and the only one that was stronger than any likely combination of other nations. For most of the last century, the United States has dominated global economics, politics, science, and culture. For the last twenty years, that dominance has been unrivaled, a phenomenon unprecedented in modern history.

We are now living through the third great power shift of the modern era. It could be called "the rise of the rest." Over the past few decades, countries all over the world have been experiencing rates of economic growth that were once unthinkable. While they have had booms and busts, the overall trend has been unambiguously upward. This growth has been most visible in Asia but is no longer confined to it. That is why to call this shift "the rise of Asia" does not describe it accurately. In 2006 and 2007, 124 countries grew at a rate of 4 percent or more. That includes more than 30 countries in Africa, two-thirds of the continent. Antoine van Agtmael, the fund manager who coined the term "emerging markets," has identified the 25 companies most likely to be the world's next great multinationals. His list includes four companies each from Brazil, Mexico, South Korea, and Taiwan; three from India; two from China; and one each from Argentina, Chile, Malaysia, and South Africa.

Look around. The tallest building in the world is now in Taipei, and it will soon be overtaken by one being built in Dubai. The world's richest man is Mexican, and its largest publicly traded corporation is Chinese. The world's biggest plane is built in Russia and Ukraine, its leading refinery is

under construction in India, and its largest factories are all in China. By many measures, London is becoming the leading financial center, and the United Arab Emirates is home to the most richly endowed investment fund. Once quintessentially American icons have been appropriated by foreigners. The world's largest Ferris wheel is in Singapore. Its number one casino is not in Las Vegas but in Macao, which has also overtaken Vegas in annual gambling revenues. The biggest movie industry, in terms of both movies made and tickets sold, is Bollywood, not Hollywood. Even shopping, America's greatest sporting activity, has gone global. Of the top ten malls in the world, only one is in the United States; the world's biggest is in Beijing. Such lists are arbitrary, but it is striking that only ten years ago, America was at the top in many, if not most, of these categories.

It might seem strange to focus on growing prosperity when there are still hundreds of millions of people living in desperate poverty. But in fact, the share of people living on a dollar a day or less plummeted from 40 percent in 1981 to 18 percent in 2004, and is estimated to fall to 12 percent by 2015. China's growth alone has lifted more than 400 million people out of poverty. Poverty is falling in countries housing 80 percent of the world's population. The 50 countries where the earth's poorest people live are basket cases that need urgent attention. In the other 142—which include China, India, Brazil, Russia, Indonesia, Turkey, Kenya, and South Africa—the poor are slowly being absorbed into productive and growing economies. For the first time ever, we are witnessing genuinely global growth. This is creating an international system in which countries in all parts of the world are no longer objects or observers but players in their own right. It is the birth of a truly global order.

A related aspect of this new era is the diffusion of power from states to other actors. The "rest" that is rising includes many nonstate actors. Groups and individuals have been empowered, and hierarchy, centralization, and control are being undermined. Functions that were once controlled by governments are now shared with international bodies like the World Trade Organization and the European Union. Non-governmental groups are mushrooming every day on every issue in every country. Corporations and capital are moving from place to place, finding the best location in which to do business, rewarding some governments while punishing others. Terrorists like Al Qaeda, drug cartels, insurgents, and militias of all kinds are finding space to operate within the nooks and crannies of the international system. Power is shifting away from nation-states, up, down, and sideways. In such an atmosphere, the traditional applications of national power, both economic and military, have become less effective.

The emerging international system is likely to be quite different from those that have preceded it. One hundred years ago, there was a multipolar order run by a collection of European governments, with constantly shifting alliances, rivalries, miscalculations, and wars. Then came the bipolar duopoly of the Cold War, more stable in many ways, but with the superpowers reacting and overreacting to each other's every move. Since 1991, we have lived under an American imperium, a unique, unipolar world in which the open global economy has expanded and accelerated dramatically. This expansion is now driving the next change in the nature of the international order.

At the politico-military level, we remain in a single-superpower world. But in every other dimension—industrial, financial, educational, social, cultural—the distribution of

power is shifting, moving away from American dominance. That does not mean we are entering an anti-American world. But we are moving into a *post-American world*, one defined and directed from many places and by many people.

What kinds of opportunities and challenges do these changes present? What do they portend for the United States and its dominant position? What will this new era look like in terms of war and peace, economics and business, ideas and culture?

In short, what will it mean to live in a post-American world?

next decade. This is a state-directed form of capitalism, which is likely to result in narrow development and unlikely to produce self-sustaining growth (although there are strong state-directed elements in European and East Asian capitalism as well). But it is much closer to the global capitalist norm than the economic systems in these countries—from Russia to Saudi Arabia—a generation ago.

The most acute problem of plenty is the impact of global growth on natural resources and the environment. It is not an exaggeration to say that the world is running out of clean air, potable water, agricultural produce, and many vital commodities. Some of these problems can be fixed—by improving efficiency and developing new sources of supply—but progress has been far too slow. Agricultural productivity, for example, is rising. But feeding a global population of eight billion, which we will get to by 2025, will require crop yields to reach four tons per hectare from only three tons today. Similarly, our ability to manage and conserve water is not growing nearly as fast as our consumption of it. World population tripled in the twentieth century, but water consumption increased sixfold. Americans use more than four hundred liters of water a day to drink, cook, and clean themselves. People in poorer countries today are lucky to get forty, but as they get richer, their rising demands will cause greater stress.⁶ Violent clashes over water have already broken out in Africa and the Middle East. Historically, populations have moved to find water; if water sources dry up in the future, tens of millions of people will be forced to start moving.

Over the last decade, many predictions about the effects of climate change have proven to be underestimates because global growth has exceeded all projections. The most recent

assessment of the Intergovernmental Panel on Climate Change was released in mid-2007. By the year's end, scientists had shown that the polar ice caps are melting twice as fast as the report expected.⁷ There is greater demand for electricity, more cars, and more planes than anyone imagined fifteen years ago. And it keeps growing. The McKinsey Global Institute projects that, from 2003 to 2020, the number of vehicles in China will rise from 26 million to 120 million. And then there's India, Russia, the Middle East—the rest.

Demand for electricity is projected to rise over 4 percent a year for decades. And that electricity will come mostly from the dirtiest fuel available—coal. Coal is cheap and plentiful, so the world relies on it to produce most of its electricity. To understand the impact on global warming, consider this fact. Between 2006 and 2012, China and India will build eight hundred new coal-fired power plants—with combined CO₂ emissions five times the total savings of the Kyoto accords.

The Rise of Nationalism

In a globalized world, almost all problems spill over borders. Whether it's terrorism, nuclear proliferation, disease, environmental degradation, economic crisis, or water scarcity, no issue can be addressed without significant coordination and cooperation among many countries. But while economics, information, and even culture might have become globalized, formal political power remains firmly tethered to the nation-state, even as the nation-state has become less able to solve most of these problems unilaterally. And increasingly, nation-states are becoming less willing to come together to solve

common problems. As the number of players—governmental and nongovernmental—increases and each one's power and confidence grows, the prospects for agreement and common action diminish. This is the central challenge of the rise of the rest—to stop the forces of global growth from turning into the forces of global disorder and disintegration.

The rise of pride and confidence among other nations, particularly the largest and most successful ones, is readily apparent. For me, it was vividly illustrated a few years ago in an Internet café in Shanghai, where I was chatting with a young Chinese executive. He was describing the extraordinary growth that was taking place in his country and a future in which China would be modern and prosperous. He was thoroughly Westernized in dress and demeanor, spoke excellent English, and could comfortably discuss the latest business trends or gossip about American pop culture. He seemed the consummate product of globalization, the person who bridges cultures and makes the world a smaller, more cosmopolitan place. But when we began talking about Taiwan, Japan, and the United States, his responses were filled with bile. He explained in furious tones that were Taiwan to dare to declare independence, China should instantly invade it. He said that Japan was an aggressor nation that could never be trusted. He was sure that the United States deliberately bombed the Chinese embassy during the Kosovo war in 1999, to terrify the Chinese people with its military might. And so on. I felt as if I were in Berlin in 1910, speaking to a young German professional, who in those days would have also been both thoroughly modern and thoroughly nationalist.

As economic fortunes rise, so does nationalism. This is understandable. Imagine that you lived in a country that had

been poor and unstable for centuries. And then, finally, things turn and your nation is on the rise. You would be proud and anxious to be seen. This desire for recognition and respect is surging throughout the world. It may seem paradoxical that globalization and economic modernization are breeding political nationalism, but that is so only if we view nationalism as a backward ideology, certain to be erased by the onward march of progress.

Nationalism has always perplexed Americans. When the United States involves itself abroad, it always believes that it is genuinely trying to help other countries better themselves. From the Philippines and Haiti to Vietnam and Iraq, the natives' reaction to U.S. efforts has taken Americans by surprise. Americans take justified pride in their own country—we call it patriotism—and yet are genuinely startled when other people are proud and possessive of theirs.

In the waning days of Britain's rule in India, its last viceroy, Lord Louis Mountbatten, turned to the great Indian leader Mahatma Gandhi and said in exasperation, "If we just leave, there will be chaos." Gandhi replied, "Yes, but it will be *our* chaos." That sense of being governed by one's "own," without interference, is a powerful feeling in emerging countries, especially those that were once colonies or quasi-colonies of the West.

Zbigniew Brzezinski recently called attention to what he terms a "global political awakening." He pointed to rising mass passions, fueled by various forces—economic success, national pride, higher levels of education, greater information and transparency, and memories of the past. Brzezinski noted the disruptive aspects of this new force. "The population of much of the developing world is politically stirring and in

Taxes, tariffs, and wars are the old ways to do this, but states now have less room to maneuver on these fronts. They need more subtle and sophisticated ways to effect change.

The traditional mechanisms of international cooperation are relics of another era. The United Nations system represents an outdated configuration of power. The permanent members of the UN Security Council are the victors of a war that ended sixty years ago. The body does not include Japan or Germany, the world's second- and third-largest economies (at market exchange rates), or India, the world's largest democracy, or any Latin American or African country. The Security Council exemplifies the antique structure of global governance more broadly. The G-8 does not include China, already the world's fourth-largest economy, or India and South Korea, the twelfth and thirteenth. By tradition, the IMF is always headed by a European and the World Bank by an American. This "tradition," like the customs of an old segregated country club, may be charming and amusing to insiders, but to outsiders it is bigoted and outrageous.

A further complication: when I write of the rise of nationalism, I am describing a broader phenomenon—the assertion of identity. The nation-state is a relatively new invention, often no more than a hundred years old. Much older are the religious, ethnic, and linguistic groups that live within nation-states. And these bonds have stayed strong, in fact grown, as economic interdependence has deepened. In Europe, the Flemish and French in Belgium remain as distinct as ever. In Britain, the Scots have elected a ruling party that proposes ending the three-hundred-year-old Acts of Union that created the United Kingdom of England, Scotland, and Wales. In India, national parties are losing ground to regional ones. In

Kenya, tribal distinctions are becoming more important. In much of the world, these core identities—deeper than the nation-state—remain the defining features of life. It is why people vote, and what they die for. In an open world economy, these groups know that they need the central government less and less. And in a democratic age, they gain greater and greater power if they stay together as a group. This twin ascendancy of identity means that, when relating to the United States or the United Nations or the world at large, Chinese and Indian nationalism grows. But within their own countries, sub-nationalism is also growing. What is happening on the global stage—the rise of identity in the midst of economic growth—is also happening on the local stage. The bottom line: it makes purposeful national action far more difficult.

As power becomes diversified and diffuse, legitimacy becomes even more important—because it is the only way to appeal to all the disparate actors on the world stage. Today, no solution, no matter how sensible, is sustainable if it is seen as illegitimate. Imposing it will not work if it is seen as the product of one country's power and preferences, no matter how powerful that country. The massacres in Darfur, for example, are horrific, and yet military intervention there—the most effective way of stopping it—would succeed only if sanctioned by the major powers as well as Sudan's African neighbors. If the United States acted alone or with a small coalition—invading its third Muslim country in five years—the attempt would almost certainly backfire, providing the Sudanese government with a fiery rallying cry against "U.S. imperialism." The Bush administration's foreign policy record offers a perfect illustration of the practical necessity of legitimacy. And yet, beyond Bush's failures, the dilemma remains: if many countries need