

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. Nongovernmental 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?集