How Do Rising Powers Rise?
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There are moments in international politics when shifts in power seem particularly acute. One occurred in 1990, with the sudden demise of the Soviet Union. Another may now be upon us, this time ushered in by American over-extension and the ‘rise of the rest’, which together have shifted the global balance of influence. Some analysts envision a ‘post-American world’, or use the term ‘nonpolarity’ to describe a world in which the United States’ unipolar moment has passed and no alternative power centres exist. Others focus on the emergence of specific powers or regions, particularly China and India. Some of the rise is structural, ironically underpinned by the American commitment to a liberal economic order from which the rising powers have profited enormously. Some of it is doubtless exaggerated: for all the talk of a G2 comprising Washington and Beijing, the US economy is still roughly three times larger than China’s. Something, nevertheless, has shifted in the nature of America’s role in the global order.

US adaptation to this shift has thus far been swift and peaceful. The global financial crisis led first President George W. Bush and then President Barack Obama to draw the leaders of the G20 into a coordinated response. In short order, the G8 was replaced by the G20 as the premier global financial institution, signalling clear Western acceptance of the global role of the rising powers. The crisis, however, also hardened rising powers’ attitudes towards US leadership. The Copenhagen climate negotiations showed that
the emerging powers would not simply acquiesce to arrangements proposed by the United States. The Brazilian–Turkish gambit to block the US drive for sanctions against Iran highlighted the potential consequences of these actors’ new assertiveness. The window of opportunity that accompanied the financial crisis and greeted Obama may already be starting to close. Regardless, the two episodes suffice to confirm that the relationship between US (and to a degree, European) strategy and the rising powers will shape global order in the era that is now upon us.

Will the rise of the rest generate the balanced global order many of the emerging powers profess to seek? It could, to be sure, bring to bear a wider pool of assets, talents and capacities with which to tackle common global problems and contain regional and transnational threats. Will it create a complex but roughly coordinated order in which states cooperate where they can, and contain their differences where they cannot? Or will resource competition hinder financial and potentially security cooperation? Will miscalculation, uncertainty and distrust generate a new era of disorder and conflict? Will the emerging powers facilitate, hitch a free ride on or frustrate American efforts to maintain a stable global order? And will America – and in particular, the US Congress – continue to underwrite that changing order? The answers require a deeper understanding of the nature of the emerging powers’ influence in global systems and the implications for how they respond to a range of US leadership functions. Complex strategies of bargaining and balancing, rather than building alternative poles and blocking US efforts, appear to dominate thus far. While this is more positive than the alternatives, there is a risk of miscalculation and unintended, serious consequences for global order.

Profile of an emerging power

That China and India occupy a more powerful position in global political debates than in the past is an observable phenomenon; that Brazil, Russia, the Gulf states and South Africa have a certain set of powers within regional contexts, and can at times affect policies globally as well, is equally so. But the basis of that power, outside the economic sphere, is not well understood.
The emerging-powers concept presupposes common traits. But what are these traits? Currently, there is no commonly accepted definition of what an emerging or rising power is.\(^4\) This has confounded efforts to generate a common understanding, leaving in doubt the usefulness of treating these countries as a bloc.\(^5\)

The single most evident commonality is growing economic heft. The term ‘BRICs’ was coined in a 2003 Goldman Sachs report referring to the economies of Brazil, Russia, India and China.\(^6\) These countries’ increasing might in the global economy was (and still is) believed to have the potential to reshape the global economic and political landscape of the twenty-first century.\(^7\) Since it was first identified, the BRIC group has gone through several permutations, sometimes being referred to as the ‘BRICS’, with the ‘S’ signifying South Africa, or as ‘BRICSAM’ to include both South Africa and Mexico. Similarly, the IBSA forum (India, Brazil, South Africa) has emerged as a separate grouping that increasingly addresses security concerns. Most recently, the climate negotiations in Copenhagen saw the emergence of the ‘BASIC’ grouping (Brazil, South Africa, India, China) through which the emerging powers, excluding Russia, clustered. But while the potential for high economic growth is the driving factor enabling these countries’ rise, is it strong enough on its own to warrant lumping them together? Is China’s rise not a sufficiently different phenomenon from India’s or Brazil’s to warrant treating it differently?

In a 2006 *International Affairs* article, Andrew Hurrell gave four additional reasons for looking at these countries in a similar light.\(^8\) Firstly, in addition to growing economic might, they all have a relatively high degree of at least potential military and political-power resources, a reasonable degree of internal cohesion, and some ability to contribute to the generation of a revised international order. Secondly, each aspires to a more influential role in global affairs. Brazil has been playing an increased role in its region on state-building issues, most visibly in Haiti, and has taken steps to address issues surrounding food security and biofuel. India has long been a major troop contributor to UN peacekeeping operations, and has recently played a large role in buttressing recovery and reconstruction in the unstable and civil-war-ridden states on its northern border,
particularly Nepal. A stronger China is also frequently seen as having the capability to contribute to solving global problems.9 While its contributions have been sporadic to date, Beijing is increasingly involving itself in UN peacekeeping operations, and has played a leading, if not entirely constructive, role on climate change. After recognising its lack of initial capacity, China has also taken a more timely and active stance on preventing pandemics.10 The emerging powers have also become more vocal and persuasive on issues playing out in international institutions such as the World Trade Organisation (WTO) or the International Monetary Fund (IMF), and have seen their influence in regional organisations such as the Association of Southeast Asian Nations (ASEAN) structures and the Organisation of American States (OAS) rise. In some cases they have been able to organise the creation of new regional mechanisms, such as the Union of South American Nations (UNASUR) in Latin America, or substantially re-tailor and re-energise existing ones, such as the Shanghai Cooperation Organisation (SCO).

The emerging powers have also increasingly been using their influence to challenge the legitimacy of the post-Second World War order, calling instead for more pluralist or multipolar conceptions. China, for instance, has long been a ‘sovereignty hawk’, generally opposing the notion that interventions for humanitarian purposes are legitimate. Its model of authoritarian capitalism has also increasingly become an ideological export, challenging the United States’ liberal model. India, despite having aligned itself with Washington on many fronts (most recently on issues of nuclear technology), and having significantly deepened bilateral economic ties with the United States, has also been a voice of opposition at times. It has frequently criticised an economic system that it sees as crowding out a development agenda; has generally opposed the humanitarian-intervention agenda;11 and has openly called for a return to a more equitable and just political order.12 South Africa has used its weight within the Africa group to amplify its diplomacy in multilateral institutions such as the UN, playing both a critical role in General Assembly negotiations (as during the lead-up to the 2005 World Summit) and a blocking role (principally in the UN Security Council). Brazil has been able to assert itself primarily in the trade and energy realm, but its mul-
How Do Rising Powers Rise?

Tilatral diplomacy within the UN and other security arrangements lags substantially behind the other emerging powers.

Thirdly, relations among the emerging powers have deepened, both bilaterally and within regional and international institutions. Chinese economic relations with India, South Africa and Brazil have grown considerably deeper. Military exercises between the emerging powers have increased. Despite occasional friction, they have sought to downplay points of contention to avoid the emergence of major crises.\(^{13}\) In regional institutions, recent developments include Sino-Russian cooperation in the SCO, the emergence of the G20 coalition within the WTO,\(^{14}\) and deeper – albeit guarded – security cooperation in ASEAN structures and other regional forums. That said, a broader discussion among the emerging powers themselves about their roles and responsibilities in the international system has been conspicuously absent.

Finally, a distinction can be made between the majority of the emerging powers and other Western ‘middle powers’. Unlike Canada, Japan or many European countries, the rising powers were never fully integrated into the post-1945 order. Being on the outside looking in has heavily conditioned their strategic interests and conceptions of national purpose.\(^{15}\)

Despite these similarities, significant reasons exist to doubt that each of these states warrant the emerging-power title. Take, for instance, the seeming outlier of the BRICs group, Russia. Though sometimes seen as a rising power (mainly because of its energy resources), the period since the fall of the USSR has been one of decline for Russia.\(^{16}\) Strong indicators point not to an upward trajectory of power and influence, but rather in the opposite direction. Over two years have passed since the Russian invasion of Georgia. Many Russia watchers see that incursion as akin to an Indian summer of Russian power, rather than as the re-emergence of an assertive Russia capable of recreating a network of deferential Eastern European satellites. Russia’s population is declining at a rate of 4% per year, and if this trend continues, by 2050 it is likely that the population will have shrunk to under 120 million from its current level of 140m.\(^{17}\) Russia’s economy, while
still projected to grow in the medium to long term, has been hit hard by the
recent global downturn, its finance sector having been ravaged by inter-
national business reaction to its adventurism in Georgia. It is still overly
dependent on gas exports, and the prospects for diversification seem slim.
Nor does the history of the Russian economy since the early 1990s present
much evidence that Russia will be able to adequately cope with the risks of
globalisation. The Russian political system remains sclerotic and generally
unresponsive to societal demands. While Russia’s conventional military
capabilities will very likely remain relatively strong, its military capacity
will be weakened by the population decline. Finally, Russia has failed to
quell extremism on its periphery, and the recent re-emergence of jihadist
terrorism has begun to seep into its territorial core.

**Underpinnings of power**

What the Russian example shows, however, is not that grouping these
nations as emerging powers is necessarily inaccurate or a conceptual non-
starter, but that enough questions exist to warrant further inquiry into the
locus of their influence. To begin with, how can an emerging power’s influ-
ence be measured? State power, generally, is conceived of at three levels: (1)
material resources; (2) the ability of the state, through national processes,
to extract these resources from domestic society and use them for defined
political purposes; and (3) influence over outcomes. This third aspect is the

<table>
<thead>
<tr>
<th>Country</th>
<th>Military expenditures (US$ billion)</th>
<th>Percentage of world defence expenditures</th>
<th>Defence expenditures as percentage of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>661</td>
<td>43</td>
<td>4.3</td>
</tr>
<tr>
<td>China</td>
<td>100*</td>
<td>6.6*</td>
<td>2.0*</td>
</tr>
<tr>
<td>France</td>
<td>63.9</td>
<td>4.2</td>
<td>2.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>58.3</td>
<td>3.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Russia</td>
<td>53.3*</td>
<td>3.5*</td>
<td>3.5*</td>
</tr>
<tr>
<td>Japan</td>
<td>51</td>
<td>3.3</td>
<td>0.9</td>
</tr>
<tr>
<td>Germany</td>
<td>45.6</td>
<td>3</td>
<td>1.3</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>41.3</td>
<td>2.7</td>
<td>8.2</td>
</tr>
<tr>
<td>India</td>
<td>36.3</td>
<td>2.4</td>
<td>2.6</td>
</tr>
<tr>
<td>Italy</td>
<td>35.8</td>
<td>2.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Brazil</td>
<td>26.1</td>
<td>1.7</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Source: SIPRI Yearbook 2010

* Estimated
most problematic when looking at emerging powers, as it is contingent on specific contextual factors. The utility of power depends on its purpose, on the target at which it is directed.\textsuperscript{19}

Most power indexes aggregate measurements of basic economic, military, geographical and scientific indicators. Such indexes show that something akin to a knowable hierarchy of state power exists. Figures 1–3, for instance, show that a small group of countries clearly dominate the rest in terms of military expenditure, economic power and measures of scientific and technological prowess. This indicates that to be an emerging power, a state must be on a clear upward trajectory in these areas; without a strong growing economy and the potential to generate robust military force a state will be unable to compete geopolitically and militarily with the strongest states in the international system.

Is this, however, a useful lens through which to understand contemporary power? Firstly, most power indexes at the very least imply that the ultimate purpose of a state’s power is to defend itself through war. While the ability to wage war is, at times, the ultimate test of state power, a threat environment replete with transnational security challenges has created a dynamic that has enabled the rising powers to punch above their weight.

Secondly, these measurements not only give little insight into a state’s power over outcomes across a wider set of issues, but can also lead to false predictions about which states should dominate negotiations over important issues. It has long been recognised that the causal connection between

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**Figure 2. Economic Indicators 2009**

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP, current prices (US$ billion)</th>
<th>GDP per capita, current prices</th>
<th>Percentage of world GDP (PPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>16,447.26</td>
<td>31,963.40</td>
<td>15.08</td>
</tr>
<tr>
<td>United States</td>
<td>14,119.05</td>
<td>45,934.47</td>
<td>20.42</td>
</tr>
<tr>
<td>Japan</td>
<td>5,068.89</td>
<td>39,740.27</td>
<td>5.96</td>
</tr>
<tr>
<td>China</td>
<td>4,984.73</td>
<td>3,734.61</td>
<td>12.56</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,574.04</td>
<td>8,220.36</td>
<td>2.88</td>
</tr>
<tr>
<td>India</td>
<td>1,236.94</td>
<td>1,031.59</td>
<td>5.05</td>
</tr>
<tr>
<td>Russia</td>
<td>1,231.89</td>
<td>8,681.41</td>
<td>3.02</td>
</tr>
<tr>
<td>Mexico</td>
<td>874.81</td>
<td>8,133.87</td>
<td>2.1</td>
</tr>
<tr>
<td>South Africa</td>
<td>287.22</td>
<td>5,823.58</td>
<td>0.72</td>
</tr>
<tr>
<td>UAE</td>
<td>223.87</td>
<td>45,614.54</td>
<td>0.26</td>
</tr>
</tbody>
</table>

Source: IMF World Economic Outlook Database
material capabilities and power over specific outcomes rarely approaches anything close to a 1:1 ratio. This has been termed the ‘paradox of unrealised power’.20 The inability to turn resources into outcomes is sometimes explained by the misapplication of power or by a lack of bargaining skill or will, but a better explanation may be to recognise that many aspects of power are not fungible in all or even most policy frameworks. The United States still has a resounding lead in terms of GDP, military capabilities and innovation. Placing too much emphasis on these factors, however, would lead to expectations that the established powers would still be able to run roughshod over the emerging powers when bargaining across most issue-areas. Yet this is empirically dubious. The paradox of unrealised power thus results from the assumption that most forms of power will be transferable across most issue-areas, which is often not the case.21

The fact that emerging powers can meaningfully exert influence now, despite the existing – albeit apparently closing – gaps in economic heft, military power and innovation, remains puzzling. Basic power metrics indicate that it is premature to declare multipolarity a reality. But if a multipolar world is still a ways off, how have rising powers been able to frustrate the established powers beyond what the metrics would predict? How have they been able to affect outcomes on issues the established powers also have strong, if not vital, interests in?

The rising powers have emerged first and foremost in the economic realm, and their ability to exert influence in terms of global economics and finance
is reasonably well understood. This is not the case, however, in terms of their influence in the more traditional realms of foreign policy. While economic power can translate into political power, and is strongly connected to military power in the long term, they are not the same thing. The emerging powers’ lack of conventional power would appear to make them less important in terms of foreign policy. But this is belied by three things: the emerging powers’ regional economic, political and military weight often enables them to block the great powers on major geopolitical questions; they already have substantial multilateral weight; and the nature of current US foreign-policy goals plays to their political comparative advantages.

The emerging powers’ hierarchy of influence is strongest on the climate-change issue. The fact that China has overtaken the United States as the world’s largest carbon emitter, and that US and Chinese carbon emissions are more than twice as large as any other individual country and roughly 60% higher than the EU (see Figure 4), meant that the success of the Copenhagen climate summit this past December ultimately came down to the willingness of US and Chinese negotiators to strike a deal. Without the agreement of both countries, no climate agreement would have generated the critical mass necessary for a sustainable outcome. This points directly to China’s ability to frustrate or block Western efforts on this issue. Because China’s preferences had long hardened around maintaining economic growth and social stability, the United States was unable to persuade, coerce or bribe China into a binding deal.
Another area in which the emerging powers have exerted growing influence is finance, identified most visibly with the growth of sovereign wealth funds in East Asia and the Gulf states and China’s accumulation of US dollar reserves (see Figures 5 and 6). But Asian creditors have gained little political leverage over borrowers. When framed in terms of deterrence and compulsion, financial power buys the former more than the latter.22 After the financial crisis hit, China had limited success in pushing the United States towards protecting the value of its dollar-denominated assets and guaranteeing access to US markets. China was, however, able to continue to allow the renminbi to depreciate, despite strident American calls, and was able to prevent any meaningful discussion within the IMF about whether the Chinese currency was fundamentally undervalued.23 Though China has since taken steps to allow the renminbi to appreciate, it is unclear whether this decision was driven primarily by the collective frustration of leading G20 states or domestic considerations. While this example points to China’s ability to play a blocking role on financial issues, it also highlights a mutual vulnerability that has so far prevented Beijing from threatening a ‘nuclear option’ of selling off its dollar reserves in an effort to coerce US policymakers.

When leveraged against weaker states, however, China’s financial power has yielded benefits beyond simply securing access to natural resources. Because of China’s heavy capital and direct investment in many parts of the...
developing world, visible across Africa, the Pacific rim and Latin America, countries in these regions have tended to side with China on a range of political issues when pressed to do so. In the run-up to the 2005 World Summit, for example, China used its financial influence to press many African states into siding against India’s bid for a UN Security Council seat.

In broader economic matters, China’s emergence as the second-largest national economy obscures the fact that the gap between one and two remains wide. However, when the emerging powers function as a bloc, their roughly 16% share of global GDP affords them the number three seat at the table, following the EU and the United States. But this still underestimates the influence of the emerging powers given that China and India, and to a lesser extent Brazil, are able to wield substantial influence with many smaller developing states through the G77, the WTO G20 and other similar groupings. Institutionally, this adds significant voting density to their positions. The BRICs’ share of the global economy is thus not quite large enough to constitute a blocking minority, but is still substantial and cannot be ignored without costs.

In the foreign-policy realm, three additional factors help to explain emerging-power influence. The first are the deep, bilateral economic and political ties these states have with certain ‘fragile’ or ‘rogue’ states. Trade data shows that emerging powers are often in a position to exert much greater economic leverage over many weak and fragile states than are the
Western powers (see Figure 7). Take the example of Zimbabwe, which many in the West have sought to sanction because of the Mugabe regime’s human-rights abuses and unwillingness to share power with a growing and vocal opposition. This effort was largely confounded by South Africa’s unwillingness to take a tough stance. South Africa’s status as Zimbabwe’s top trading partner provided a source of potential leverage that the actors pushing for sanctions did not share. Without South African agreement there was little that Western voices could do to pressure Harare. Similar dynamics have also been at work in the case of Myanmar. While many in the West would like to ramp up the sanctions on the military junta for its crackdowns on domestic opposition groups, little can be done without the cooperation of China and India, two of Myanmar’s top trading partners.

Secondly, the relative influence of the rising powers compared to the West is further amplified by Western disunity. In Europe, the EU has yet to develop a fully coherent mechanism for the development and implementation of foreign policy, and political divisions within Europe have, at times, limited European influence. Occasional differences between the EU and the United States have complicated common efforts as well. Where unity in preferences is lacking, this usually stems from differences over what consti-

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP, current prices (US$ billion)</th>
<th>Percentage of trade to GDP</th>
<th>Total exports (US$ million)</th>
<th>Top 3 export partners</th>
<th>Total imports (US$ million)</th>
<th>Top 3 import partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zimbabwe</td>
<td>10.58</td>
<td>−69.9</td>
<td>1.39</td>
<td>South Africa (60%); DRC (10%); Botswana (8.7%)</td>
<td>1.91</td>
<td>South Africa (32%); China (4%); Botswana (3.7%)</td>
</tr>
<tr>
<td>Sudan</td>
<td>58.03</td>
<td>2</td>
<td>11.67</td>
<td>China (49%); Japan (33%); Indonesia (5.5%)</td>
<td>8.22</td>
<td>China (20%); Saudi Arabia (8%); UAE (6.2%)</td>
</tr>
<tr>
<td>Pakistan</td>
<td>164.63</td>
<td>−6.1</td>
<td>21.09</td>
<td>US (16%); UAE (11.7%); Afghanistan (8.6%)</td>
<td>38.19</td>
<td>China (20%); Saudi Arabia (12%); UAE (11.2%)</td>
</tr>
<tr>
<td>Myanmar</td>
<td>26.21</td>
<td>10.6</td>
<td>6.67</td>
<td>Thailand (52%); India (12.7%); China (8.9%)</td>
<td>3.38</td>
<td>China (31%); Thailand (21.2%); Singapore (20.7)</td>
</tr>
<tr>
<td>Iran</td>
<td>325.5</td>
<td>3.6</td>
<td>98.43</td>
<td>China (15.3%); Japan (14.3%); India (10.4%)</td>
<td>67.25</td>
<td>UAE (19.3%); China (13%); Germany (9.2%)</td>
</tr>
<tr>
<td>Syria</td>
<td>55.02</td>
<td>−5.8</td>
<td>13.97</td>
<td>Iraq (30.9%); Germany (9.8%); Lebanon (9.7%)</td>
<td>15.97</td>
<td>Saudi Arabia (11.7%); China (8.7%); Russia (6.4%)</td>
</tr>
</tbody>
</table>

Sources: CIA World Factbook; Economist Intelligence Unit
tutes the legitimate use of force, divergent attitudes toward multilateralism, and varying constraints from domestic public opinion. Recent examples of policy differences regarding the broader Middle East are a case in point. Divisions over the second Iraq War are well known. On Afghanistan, whereas European publics viewed it as a worthwhile effort prior to the end of 2008, opinion has since shifted. This has prevented European leaders from making more of a military contribution to Afghanistan’s reconstruction (though European states have continued to contribute through other means). The United States and EU have employed different strategies regarding sanctions on Iran as well.\textsuperscript{24} While this has sometimes come across as a calculated good-cop–bad-cop strategy, better coordination between the parties early on towards a strategy employing both sanctions and inducements could have yielded better results.\textsuperscript{25} Thus, in most multilateral negotiations, the emerging powers are no longer bargaining against a combined, disciplined Western bloc controlling nearly two-thirds of the global economy but a much more fractious, undisciplined, and often internally competing set of Western actors with somewhat divergent goals.

Finally, within multilateral institutions the BRIC states can often wield disproportionate influence to their individual economic size or formal voting power. This is because certain institutional features tend to amplify emerging-power influence. In some multilateral bodies, that is a function of decision-making rules that require consensus or near consensus. At the UN, the emerging powers wield substantial influence over decisions through their roles in mobilising regional blocs. (China and Russia are of course also permanent members of the Security Council and thus can wield a veto in that forum.) Emerging powers often make large contributions on issues central to the UN’s mandate, such as peacekeeping. India, for example, contributes over 8,000 troops to UN peacekeeping out of a total UN force of just under 100,000.\textsuperscript{26} New Delhi’s willingness to deploy Indian forces for this purpose affords it influence over mission design and success. Bloc voting also enables emerging powers to amplify their voice. On human rights, for
example, a recent study by the European Council on Foreign Relations has shown that there are real limits to Western influence in the Human Rights Council, where the emerging powers have broadly succeeded in blocking Western initiatives.\textsuperscript{27}

Similarly, bloc voting at the WTO has enabled India, Brazil and China to block US- and EU-driven proposals. While the WTO technically votes by consensus, in the past it has been nearly impossible for any non-Western state to stop initiatives seen as harmful to its interests. This is because Western states have often been able to use ‘invisible weighting’ tactics, relying on side deals to break developing-nation coalitions.\textsuperscript{28}

But in 2003 in Cancun, and again in Geneva in 2008, the WTO G20 stuck together and froze negotiations after disagreement arose on, respectively, the ‘Singapore Issues’ (involving efforts to liberalise in the areas of government procurement, trade facilitation, investment and competition) and the size of a special safeguards mechanism for protection against a surge in agricultural imports. In both cases, the WTO G20 was able to hold together, despite some misaligned interests (some WTO G20 members, such as Brazil, have stronger preferences towards liberalisation than others, such as India) and Western efforts to divide and conquer.\textsuperscript{29}

There is also something akin to a ‘shadow of the future’ effect at work that helps to explain why, despite the current material-power divide, many of the BRICs, especially China, are treated as if they were already major powers. Because the trajectory of these states’ rise has been traceable for some time, it is taken as given in many world capitals that they will soon be major powers, despite significant questions about the sustainability of this ascent.

Take the question of governance reform of the major international financial institutions. Members of the World Bank, for instance, recently agreed to restructure power within the institution. In 2008, they agreed to a small 1.46% shift in voting power towards developing nations. In spring 2010, members further expanded the influence of the developing economies by another 3.13%, meaning these countries now account for 47.19% of voting power. Taken cumulatively, these changes have allowed China to become the bank’s third-largest shareholder.\textsuperscript{30}
While it will not be completed until 2011, the IMF’s quota-review process represents perhaps the strongest example of this effect at work. The review will reorganise the IMF’s quota system and make substantive recommendations for reform of the size and composition of the executive board. There was much speculation that, even before China overtook Japan as the world’s second-largest national economy in August 2010, in terms of quota shares, board presence or both the former would leapfrog ahead of the latter.

**Building, blocking, bargaining or balancing?**

Global order does not manage itself, and governance mechanisms do not function for their own sake. They need to be managed, underwritten, secured and led; and above all they need an actor willing to absorb the costs of failure. In the liberal international system born at Bretton Woods and Dumbarton Oaks, and expanded geographically after the fall of the Berlin Wall, the United States took on these responsibilities. True, allies sometimes facilitate these functions, through cost-sharing, joint action and political support; but just as often, they opt to free-ride on US hegemony, notably in the security realm, or to frustrate American efforts where these are perceived to be narrowly in the US but not the common interest.

In a world in which the only sphere of outright US dominance – military power – is of limited utility, and where in practically every other sphere there are strong players that are not traditional US allies, a twofold question arises: can the United States deliver on core leadership functions without the support of a new tier of actors, namely the rising powers? And will these actors free-ride, facilitate or frustrate US efforts? Or, to phrase the question in less US-centric terms, will the emerging powers seek to play constructive or blocking roles in building global order? Perhaps their roles will for the time being be confined to more intermediary functions – bargaining for space and their own interests, and balancing each other’s growing role.

There is general agreement on the specific hegemonic functions that great powers do, to varying extents, provide. The first is financial. Today there is no fully articulated, rule-bound monetary system governing the global economy, and unlike in previous eras, national governments are free to set the value of their own currency. This creates a need for a stable
national currency to serve as a medium of exchange and as a reserve. The US dollar unofficially played this role even after the demise of the Bretton Woods system in the early 1970s. Since the euro took off in 1999, however, and with the gradual but real shift away from New York and London as the two leading global financial hubs, doubts have arisen that the dollar can or will continue to play this role in the future.

Two factors account for the declining faith in the US position. Firstly, large macro-level imbalances coupled with a downturn in the US economy have led to concern over whether dollar-denominated assets are ultimately becoming too risky. But while this concern has been growing stronger and more widespread, with many envisioning the euro, or even the renminbi, as the future currency of last resort, there is little actual movement away from reliance on the dollar. This could, of course, change – and suddenly – but it is telling that it has not yet happened. Secondly, America’s outright dominance of the IMF, the organisation through which Washington has previously assembled rescue packages, is quickly becoming a thing of the past. At the autumn 2009 Pittsburgh G20 Summit, the major economies agreed to a shift of at least 5% of the quota share to developing nations at the expense of the established powers. This does not necessarily mean that the United States will lose even most of its ability to shape the key elements of loan packages and other stability-inducing mechanisms. There will, however, have to be greater consultation and cooperation with the emerging powers on this issue, as their influence in the global economy continues to increase.

The global financial crisis provides mixed evidence about emerging powers’ economic strategies. On the one hand, the flood of global capital back to the US market in the wake of the crisis underlined that, for now, no other currency can compete with the dollar’s reserve-currency status. Moreover, the emerging powers’ contribution to the joint stimulus effort was substantial, illustrating that they are, when their interests are at stake, more than willing to cooperate with the United States and the West in building (or at least protecting) a stable global financial system. On the other hand, in the wake of the crisis, Chinese officials have begun publicly dis-
cussing alternatives to the dollar as the reserve currency. China’s central bank governor, for instance, recently proposed the creation of a ‘super-sovereign reserve currency’ as a way to diversify away from the dollar.\textsuperscript{33} The bargaining signal from Beijing is clearly that, while China is willing to shoulder a bigger burden in the global financial system, it wants a bigger voice in setting the terms of the game. Yet this gambit has gone nowhere: to raise China’s proposal in New Delhi is to be met with a hoot of derision. Even the more limited question of denominated inter-BRIC trade in non-dollar currency raises the vexing question of which, if any, BRIC countries would accept another’s currency as an alternative.\textsuperscript{34}

Similar dynamics exist surrounding another set of functions necessary for protecting the liberal economic system: the provision of security for air and sea lanes, and for outer space. Since the end of the Second World War, and even more so by the early 1990s, the United States has dominated the global commons. This dominance has been a critical enabler of the US military’s pre-eminent position and has underwritten America’s own economic influence as well as that of its allies, and has helped Washington to lessen the influence of its adversaries.\textsuperscript{35} It has of course also facilitated the free-trade regime from which the emerging powers have profited so handsomely. One of the key questions with which the United States is beginning to come to grips is whether its hold over the global commons will weaken.

Again, the evidence cuts both ways. On the one hand, because of the still-large discrepancies in economic, technological and military might, the United States can still be seen as unchallengeable in these realms. No emerging power to date has developed anything close to a blue-water navy, and the United States can still move its forces across the globe with blistering speed and relatively little interference. It remains the world’s pre-eminent air power, and while its superiority in space has been challenged in recent years by both Russia and China, those challenges have not been serious enough to spark anything close to an arms race or even cause Washington to reinvest substantially in its own space programme. The US Navy continues to be the most powerful source of stability for global com-
commercial activity, patrolling key commercial flashpoints such as the Strait of Malacca. It also continues to assume responsibility for maintaining the free flow of oil to the world. American naval forces safeguard the major sea lanes where this flow is at risk of disruption, and the United States has long-established political and military ties with major petroleum-producing nations.

Moreover, as the case of Somali piracy shows, the rise of the emerging powers may lead to partnerships in areas where transnational threats emanate, rather than to challenges to US command. China has begun its own patrols in the Gulf of Aden, and while Chinese-led missions to date have been primarily directed at securing Chinese vessels, they have also provided security for ships and crews from Taiwan and international humanitarian-relief organisations such as the UN’s World Food Programme. More recently, China has called for a more coordinated multilateral solution to the piracy problem, noting the need for the international community to define areas of responsibility. While this could be read as an effort to carve out its own national space, it still speaks to Beijing’s recognition of the need for at least some mutually agreed understanding.36

On the other hand, there are indicators that US command of the commons will become more attenuated in the coming years, and may even see outright challenges. In certain contested zones, the United States is finding that its superiority can be challenged, if not to the point of defeat then at least to constraint: challengers have been able to substantially raise the cost of US action.37 In addition to efforts to build a stronger navy, including aircraft carriers, China is currently stocking up on relatively inexpensive Cold War-era military technologies such as anti-aircraft artillery, surface-to-air missiles and underwater mines. While a meaningful offensive military capability is likely years off, a greatly enhanced Chinese denial capability will make US power less effective and efficient.38 Similarly (though less remarked upon in the West), India, currently the world’s third-strongest navy, is also augmenting its forces. India’s build-up is a result of its own economic rise and increasing need to secure trade lanes, especially for energy supplies passing
through the Strait of Hormuz. At the same time, it is a strategic response to China’s own military advancements – another indicator that global trade, energy insecurity and traditional inter-state competition are deeply intertwined. While there are still many unknowns about the sustainability and competitiveness of China’s and India’s growing military forces and what this may ultimately mean for America’s position, these developments will surely complicate Washington’s ability to project power across the global commons to secure commerce and promote maritime stability.

However, as with the question of the reserve currency, India’s and China’s naval rise arguably protects America’s leadership function. Against a backdrop of a newly assertive and confident Chinese foreign policy after the financial crisis, Chinese officials began expressing a ‘willingness’ to ‘share the burden’ of providing naval security in the Malacca Strait. Their offer was met with a resounding silence in the region. Despite growing tensions between the United States and China and undeniable differences in the interests of India and the United States, it is still true to say that none of the Asian powers has anywhere near enough trust in its neighbours to see the US naval role ceded to any one of them. Once again, balancing between the emerging powers is limiting their bargaining space vis-à-vis the United States.

Finally, the United States has often acted as a stabiliser of the balance of power in regions of strategic importance. Just as the United Kingdom has historically done on the European continent, the United States has worked to make sure that no single state could come to dominate its region. Traditionally, the United States intervened with substantial military force or went to war when American officials believed that the relevant regional actors were unable to maintain a balance, thus enabling a potentially dominant state the opportunity to make a bid for hegemony. In Europe, the United States relied on multilateral institutions for this purpose, with the oft-quoted logic of NATO being to ‘keep the US in, the Soviets out, and the Germans down’. In the Middle East and Asia, meanwhile, the United States has tended to use bilateralism to ensure territorial boundaries and regime security, creating ‘hub and spokes’ systems with America at their centre. But while methods have differed across regions, the ultimate goal has not.
In the short term US power will likely still underwrite regional balances with little additional cost. In the long term, however, it is questionable whether Washington will be able to maintain this capability. Much will depend on the ability of the emerging powers, specifically China and India, to continue to grow economically and militarily, and on how they will choose to wield their power. At a time when the concept of imperial overstretch looms large, and as the emerging powers grow stronger in economic, military and technological terms, they will become better placed to upset local power balances. A strong China could come to challenge the US security system in East Asia by forcing smaller states to choose Beijing as their major ally, perhaps in the knowledge that states that are geographically proximate to a major power are more likely to bandwagon. In West Asia, China has been able to secure long-term contracts for oil and gas supplies, all while the United States has spent well over $1 trillion fighting two wars there, to the bemusement of Chinese officials and strategists. Also plausible is a scenario whereby China makes a bid to reclaim Taiwan, which in all likelihood would compel a military response from the United States; Michael O’Hanlon and Richard Bush have set out why that scenario is more likely than most commentators think. Finally, military action by North Korea against South Korea would probably force US and Chinese troops into action on the Korean peninsula. While neither China nor the United States would see this as being in either of their interests, and might even cooperate to resolve the crisis, the risks of such a conflict sparking increased US–China discord are high. Politically, friction would arise over competing visions of the peninsula’s future, with the United States favouring unification and China having a strong interest in a stable but also weak and divided Korea. This would likely also generate competition over visions of what a regional security order should look like. And while India and Brazil have a less expansive military capacity than China, their growing diplomatic influence in their own sub-regions is reshaping US options. Even South Africa, as we have seen, has been able to frustrate Western diplomacy in its own sub-region.

In the broader Middle East the possibilities are less clear. Primarily because of the vacuum created by the Iraq invasion there is a dynamic power-balancing effort in the region, and no nascent regional order has
emerged, though Iran is positioning itself to be a regional power broker, as is, to a lesser degree, Turkey. US power in the region is arguably waning, though none of the emerging powers are nearly powerful enough to play a hegemonic role. Inter-state competition in the Middle East remains the norm, and the region is a hothouse of transnational threats. Moreover, multilateral institutions that have responded to the region’s challenges, while often performing credibly in the areas of mediation, peacekeeping, nuclear non-proliferation and humanitarian assistance, have exhibited gaps, most visibly on state-building and counter-terrorism issues.

Perhaps most worrying is that the region is becoming a zone of major-power competition over natural resources. With the possible exception of central Asia, no other region has seen as much competition over energy as has the Middle East. Petroleum, because of its centrality to the global economy coupled with fears of its depletion, stands out as the resource most likely to amplify great-power tensions. Michael T. Klare envisages a dynamic in which ‘energy-deficient countries may forge strategic partnerships with friendly energy-rich states, often cementing these arrangements with massive arms transfers, new or revived military alliances, and troop deployments to unstable energy-producing regions’.

Indeed, as US political influence in the Middle East diminishes, the leftover space is beginning to be filled by the emerging powers. China has unleashed what has been called a ‘diplomatic offensive’ towards states in the Persian Gulf. Beijing has long recognised China’s growing energy needs, and Chinese officials have been increasingly present in the capitals of Saudi Arabia and Iran to secure imports from the region. China now imports approximately 1.8m barrels of oil from the Persian Gulf per day, three times more than in 1997. Indeed, Chinese efforts are focused not just on securing bilateral deals, but also on acquiring exploration and production rights in countries long considered US allies (or adversaries). These deals, no matter what their form, run contrary to the common market-based approach used by the largest energy users over the past two decades. China is trying to do this quietly, generally avoiding actions that would be seen as directly challenging the US position. The West has, however, been vocal at times in its criticisms of Chinese actions. As energy experts David Victor
Andrew F. Hart and Bruce D. Jones

and Linda Yueh note, this has enhanced fears in China that energy supplies will be difficult to obtain, and portends a negative spiral dynamic between the United States and China. India, because of its proximity to the region, has long received the majority of its petroleum from the Persian Gulf, and has also intensified its bilateral diplomacy in recent years. Relations with both Iran and Saudi Arabia have been deepening, with one of the most visible developments being a 2004 deal between state-run Indian Oil and Iran’s Petropars to develop part of the offshore South Pars gas field and construct a liquefaction plant for export to India. It remains to be seen whether arrangements such as these, which clearly highlight the dynamics of the competition over resources, necessarily mean that the major powers will prove unable to avoid mounting tensions over petroleum resources, or whether they will be able to find cooperative arrangements that encourage regional stability.

Surprisingly, it is Brazil (working with Turkey) that has so far posed the biggest direct challenge to US strategy in the Middle East. In a joint effort to block a US move on Iranian sanctions, Brazil and Turkey flexed newly found muscles and asserted their independence from the US-led security order in the region. Having first attempted, as elected members of the UN Security Council, to implement some form of bargaining strategy, the two countries then moved on to a pure blocking strategy. It is too soon to tell whether their negotiating gambit with Iran will actually undermine the sanctions effort, but Turkey’s vote against the United States (despite pressure from President Barack Obama himself) leaves the sanctions regime with a gaping hole in the form of a major neighbour of the targeted country, normally a criteria for failure. Of course, it is possible that US diplomacy will persuade these two actors to return to a bargaining stance, especially since the Brazilian–Turkish position was weakened by the rapidity with which the Chinese and Russians assented to the US decision to move ahead with sanctions despite the announcement of a draft deal between Iran, Turkey and Brazil, a decision taken literally hours before the Security Council vote.

* * *
In their own regions, the emerging powers are clearly seeking to establish themselves as the pre-eminent power. In the financial realm, they appear willing to participate in efforts to build a more effective set of arrangements, but not without hard bargaining on the nature of the rules and their status within them. Similarly, on security issues, they are often willing to cooperate, particularly in response to transnational threats, but have been adamant about playing greater roles in decision-making. Occasionally, they have sought to obstruct major-power initiatives. In all these cases, however, their efforts are complicated by growing concerns over the rise of their own BRIC peers. For all of the pageantry of BRIC summits, tensions within this group still outweigh tensions between any one member and the United States. In the short term at least, emerging-power approaches to questions of global order look to be more focused on asserting each country’s individual interests and balancing the others, rather than simply facilitating a revised order or aiming to block forward movement.

The emerging powers are playing a complex game as they manoeuvre to advance their own interests, encumber each other and still persuade the United States to look out for the system. One worry is miscalculation; even if no individual emerging power pushes the United States too far, their actions as a whole could result in Washington becoming less willing to play a leadership role. At the same time, any one of them could cause the collapse of a major initiative simply by declining to participate. Individual hard bargaining could thus inadvertently turn into collective blocking. This is hardly the worst outcome possible, but it is still one fraught with dangers for the international system.

Notes

4 This is, of course, complicated by the fact that there is no commonly accepted definition of what a ‘great power’ is either. As Martin Wight noted, ‘it is always easier to answer historically … than by giving a
definition, for there is always broad agreement about the existing great powers’. See Martin Wight, *Power Politics* (Harmondsworth: Penguin, 1944), p. 41. Most international relations scholarship relies on the notion that a great power is ‘a state [having] sufficient military assets to put up a serious fight in an all-out conventional war against the most powerful state in the world’. See John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001), p. 5.


7 Russia is slightly different in this respect. To a much greater degree than its BRIC counterparts, its economic heft is driven by its massive energy reserves. Recent data show that roughly 30% of its GDP is dependent on the energy sector. Assuming it is unable to make headway in diversifying its economy, Russia’s ability to project power in the future will be heavily dependent upon its ability profit from energy exports. See International Energy Agency, *World Energy Outlook 2009* (Paris: OECD/IEA, 2009).


13 China and India, for example, have not let their long-running border disputes metastasise into anything more than low-level skirmishes in recent years.

14 One should be careful not to confuse the ‘G20’ and the ‘WTO G20’. The former was established in 1999 as a forum for the finance ministers of the major advanced and developing nations to stabilise global financial markets after the 1997 Asian crisis. By the time of the Pittsburgh Summit of 2009, it had effectively replaced the G7 as the premier body through which heads of state would convene to address pressing global economic and financial issues. The latter, in contrast, exists as a coalition of developing countries within the WTO that emerged before the 2003 ministerial meeting in Cancun to respond to (and in most cases block) a series of Western proposals.

15 Hurrell, ‘Hegemony, Liberalism and Global Order’.


18 Tellis et al., *Measuring National Power in the Postindustrial Age*.

19 Ibid.


21 Ibid.


23 Ibid.

24 This is reflective of Robert Kagan’s argument in *Of Paradise and Power: America and Europe in the New World Order* (New York: Vintage, 2004).

25 Ibid.


36 It is notable that these calls have excluded or severely downplayed a role for India.

37 Posen, ‘Command of the Commons’.

38 Ibid.


