

Superpower geographies

Power – both economic and political – is not evenly distributed. Some nations and players have a disproportionate influence over regional and global decision making. The present geography of power is the outcome of complex processes with a considerable history. The pattern is constantly changing, as some nations gain power and others lose it. Equally, the nature of power has changed, from a direct to a more subtle control and influence. This power is exercised through trade and flows of capital and resources, as well as through culture.

Superpower geographies

Who are the superpowers and how does their power develop over time?

By the end of this section you should:

- know what a superpower is
- understand how superpowers exert and extend their influence
- realise that patterns of power change over time
- appreciate the difference between the emerging powers and the existing superpowers

Defining 'superpower'

The term **superpower** was first used during the Second World War to refer to the USA, the USSR and the British empire. It refers to a nation with the means to project its power and influence anywhere in the world, and to be a dominant global force. This demands huge resources, so true superpowers are rare (Figure 4.1). Some countries and country groupings are emerging as powerful forces and may attain superpower status in the future. The EU and China are key contenders, with Russia, India, Brazil and the oil-rich Gulf states powerful in particular ways. Other countries fulfil regional power roles.

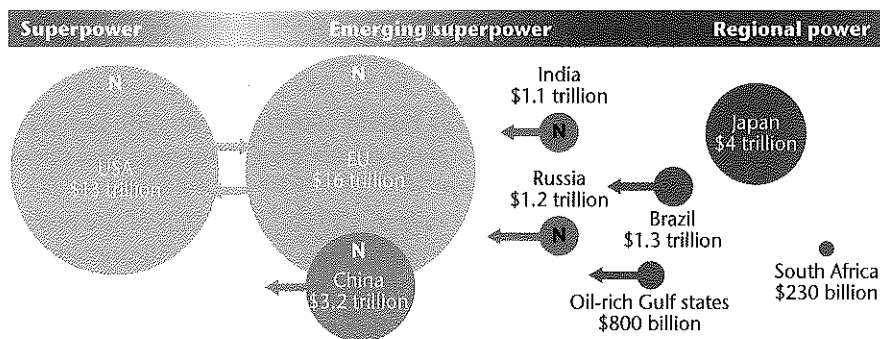


Figure 4.1 The power spectrum and current trajectories, GDP data, 2008

Superpowers exercise various forms of power:

- **Military power.** In the modern world, this essentially means access to nuclear weapons, although the ability to 'watch' the world using satellite and spy technology is important.
- **Economic power.** Wealth allows superpowers to export their power around the world, buy resources and influence trade patterns.
- **Cultural power.** This includes the projection of a particular 'way of life' and cultural values which influence the way others behave, and perhaps even think.
- **Geographical power.** This refers to the sphere of influence a superpower has. It might result from a physical or cultural presence in widespread locations.

Of these forms of power, economic power is the most important as it is required in order to maintain military power, spread cultural influence through trade and the media, and provide global geographical reach. Arguably the USA is today's only superpower. It is a major military force and the world's largest economy. Its cultural values have been spread globally and its cultural symbols (e.g. the Stars and Stripes, Coca-Cola, Ford vehicles) are found worldwide (Photograph 4.1).

Cameron Dunn



Photograph 4.1
Symbols of power:
the Stars and Stripes
inside the turbine
hall of the Hoover
Dam

Emerging and regional powers lack some forms of power. Japan has economic muscle, but lacks military power. In Latin America, Brazil acts as a regional power broker but its economic and military influence are confined to that region. China, as yet, lacks the cultural and geographical dominance of the USA.

Superpower societies

There are fundamental differences in the ways various superpower societies are organised.

- The British empire was organised as an **imperialist system**, with the culture, economy and politics of Britain dominating its subordinate colonies. Democracy, in a very limited form, existed only in Britain itself, not in the colonies.
- The USA functions within a **capitalist system**, albeit a democratic one. This means there is a division between people who own businesses and make profits, and those who work for them.
- In the USSR, under the **Communist system**, private ownership of the means of production (businesses and property) was not allowed. The philosopher Karl Marx developed the theory of communism. He argued that private ownership

of businesses meant that the rich would seek to maximise profits at the expense of their workers, creating a society where the rich (the bourgeoisie) exploited the working class (the proletariat). Marx believed the means of production should be owned in common, as this would create a more equal society. In the USSR the state owned all businesses and property. Like other Communist states it was not a democracy.



Case study

The Cold War superpowers

The world today is uni-polar, with one major super-power. During the Cold War era, 1945–90, it was a bi-polar world, with two superpowers: the USA and the USSR. These two superpowers acted in different ways (Table 4.1). The USA followed a policy which

globalised its sphere of influence. In the USA this was referred to as containment, as it sought to contain the influence of the USSR. The USSR created a strong core by invading or allying itself with its surrounding countries (Figure 4.2).

Table 4.1 The Cold War superpowers compared

	USA	USSR
Geography and resources	Population: 287 million (1989) Resources: self-sufficient in most raw materials	Population: 291 million (1991) Resources: self-sufficient in most raw materials
Economic system	Capitalist, free market economy	Socialist, centrally planned economy
Political system	Democracy with elections for president and Congress every 4 years Very little difference in political philosophy between the Republican and Democratic parties	Dictatorship with no free elections
Allies	Western Europe, through NATO Strong economic and military ties with Japan and South Korea Strong links with Latin America through trade Alliances with African, middle eastern and Asian developing nations, using military and development aid	Eastern Europe (the Warsaw Pact countries) Alliances worldwide with socialist governments (e.g. Cuba) Alliances with African, middle eastern and Asian developing nations, using military and development aid
Military power	Naval and air-based military power; established a 'ring' of bases to surround USSR Large nuclear arsenal and global network of nuclear bases Extensive global intelligence network (CIA)	Very large army, naval and air capabilities Nuclear weapons Troops stationed in eastern Europe Extensive global intelligence gathering network (KGB)
Cultural influence	Rapid growth in film and television industry was a powerful vehicle for conveying a positive view of the USA, especially its high standard of living Lack of direct censorship meant that negative views of the USA could be transmitted as well	Tried to sell a view of itself that emphasised high culture (as opposed to US popular culture), with ballet, music and art being central Very tight censorship that allowed no criticism

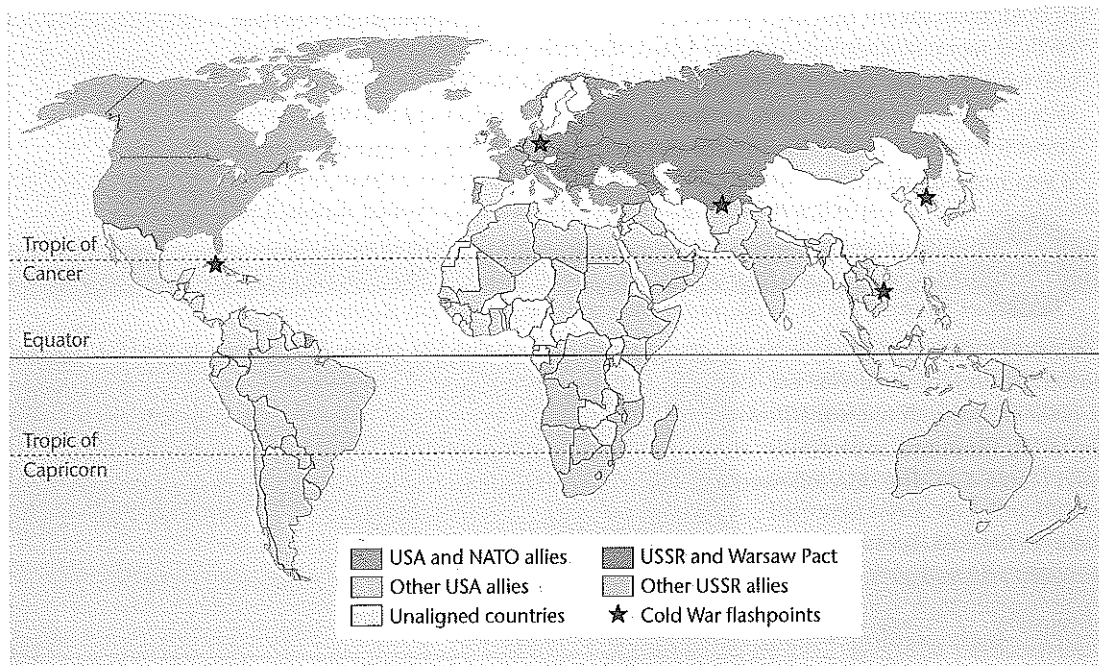


Figure 4.2 The Cold War geography, c.1980

The Cold War did not lead to direct military confrontation between the two superpowers. However, as each sought to exert its influence there were flashpoint periods of increased tension (Figure 4.2):

- the Korean War, 1950–53
- the Vietnam War, 1959–75
- the blockade of Berlin in 1949 and the erection of the Berlin wall in 1961
- the Cuban missile crisis in 1962
- the USSR invasion of Afghanistan in 1980

In the early 1990s the political geography of the world was redrawn as the political systems of the USSR and the Warsaw Pact countries collapsed and the USSR broke up into its constituent republics. The USA emerged as the only superpower.

The geography of power

If we examine the only true superpower still in existence, the USA, we can identify several ways in which it maintains its global hegemony. The USA has the world's most powerful military machine on Earth and it is geographically widespread (Figure 4.3). The US armed forces consist of (2008 data):

- 540,000 army personnel
- 520,000 personnel in the navy and marines
- 330,000 personnel in the air force

This gives the USA huge military reach. The US Navy has 12 aircraft carriers and 70 submarines, allowing it to operate anywhere in the world. No other power has this capability at present.

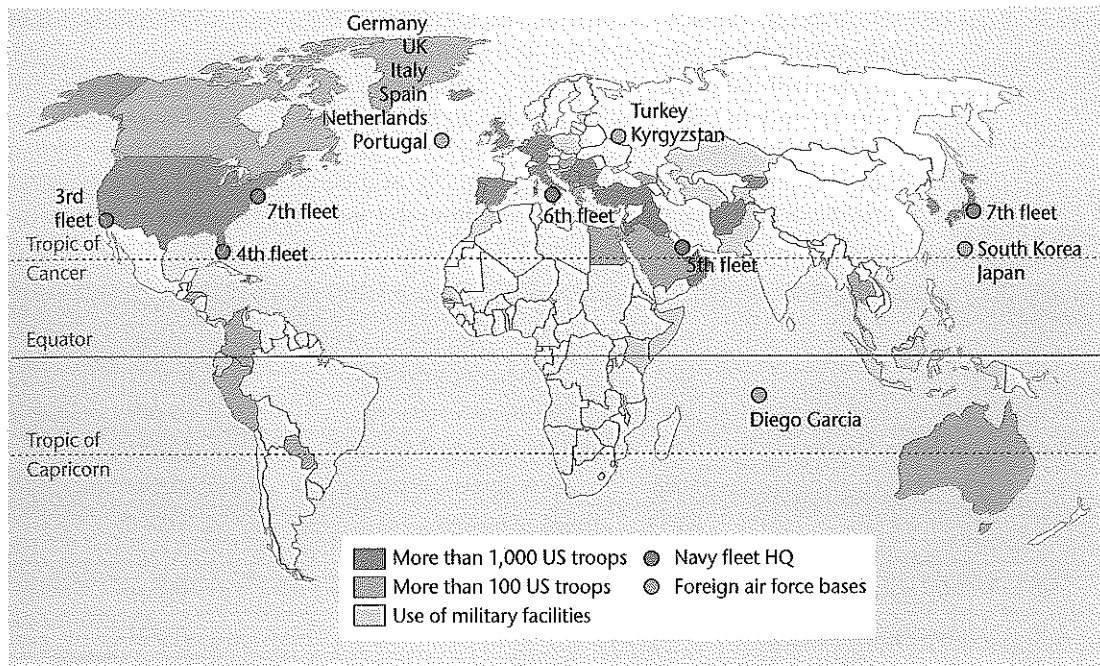
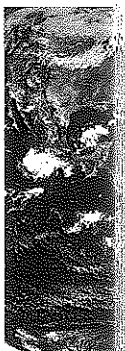


Figure 4.3 US military forces worldwide

The USA is also economically dominant and its companies are geographically widespread. The Forbes Global 2000 list identifies the 2,000 largest TNCs in the world. In 2008, US-based companies accounted for 776 of the top 2,000, followed by Japan with 331 and the UK with 132. The USA plays a major role in world trade, much of which is conducted in US dollars. The dollar is the world's reserve currency. This means that governments around the world hold reserves of dollars in their central banks. In fact, there are more US banknotes abroad than there are in the USA. Much of the world arguably has an interest in maintaining a stable USA, and friendly relations with the country, if only because of the importance of the dollar.

Cultural hegemony

The most obvious way of maintaining power is through direct force, usually in the form of police, army and security forces. However, power is not generally maintained in this way unless a society's leaders feel under threat of being overthrown by their people. The Italian Marxist philosopher Antonio Gramsci described a particular type of power which he referred to as **hegemony** or **cultural hegemony**. Gramsci, imprisoned in Mussolini's fascist Italy, was impressed by the way Mussolini maintained power without the need to resort to direct force. Gramsci believed power was maintained largely by consent. The values of those in power were accepted by people and this kept them in power. Education, religion and the media subtly reinforced the values of the powerful and maintained their

hegemony. In such conditions, the ideology of the powerful simply becomes accepted as the 'way things are' and is rarely challenged.

US cultural hegemony is largely unchallenged, at least for the moment. The dominance of US consumer culture can be identified through 'brand value'. The annual *Business Week* Interbrand survey identifies the most valuable global brands (Table 4.2). In the 2008 survey, 53 of the top 100 brands by value were from the USA. Many of the brands in Table 4.2 are immediately identifiable with the USA.

Table 4.2 Global brand values, 2008

2008 rank	Brand	Country of origin	Sector	2008 brand value (US\$m)
1	Coca-Cola	USA	Beverages	66,667
2	IBM	USA	Computer services	59,031
3	Microsoft	USA	Computer software	59,007
4	General Electric	USA	Diversified	53,086
5	Nokia	Finland	Consumer electronics	35,942
6	Toyota	Japan	Automotive	34,050
7	Intel	USA	Computer hardware	31,261
8	McDonald's	USA	Restaurants	31,049
9	Disney	USA	Media	29,251
10	Google	USA	Internet services	25,590

Source: *Business Week/Interbrand*

Changing patterns of power

Superpower status is not fixed. In the USA, there is concern that the country's superpower status is threatened. This is because the economic and population centre of gravity of the world is shifting towards Asia (Figure 4.4). In some ways it is inevitable that the USA will fall from its 'perch', if only because history suggests superpowers do not last for ever.

The nineteenth-century superpower was the British empire, which had emerged as the dominant global power during the eighteenth century. At its height, in 1921, the British empire held sway over about 458 million people, approximately one-quarter of the world's population. It covered about 36.7 million km², roughly a quarter of Earth's total land area (Figure 4.5).

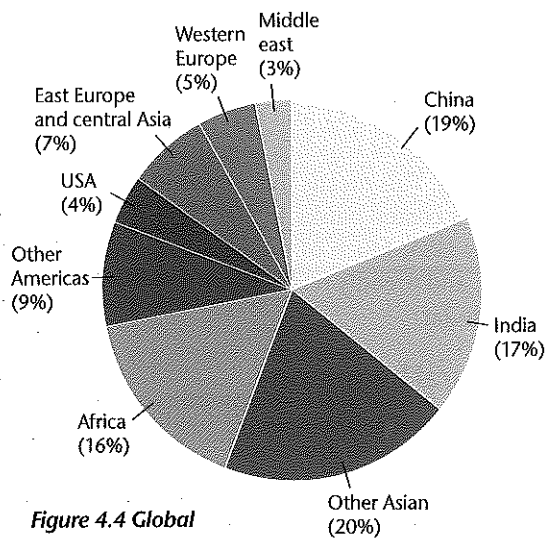


Figure 4.4 Global population in 2020 (%)

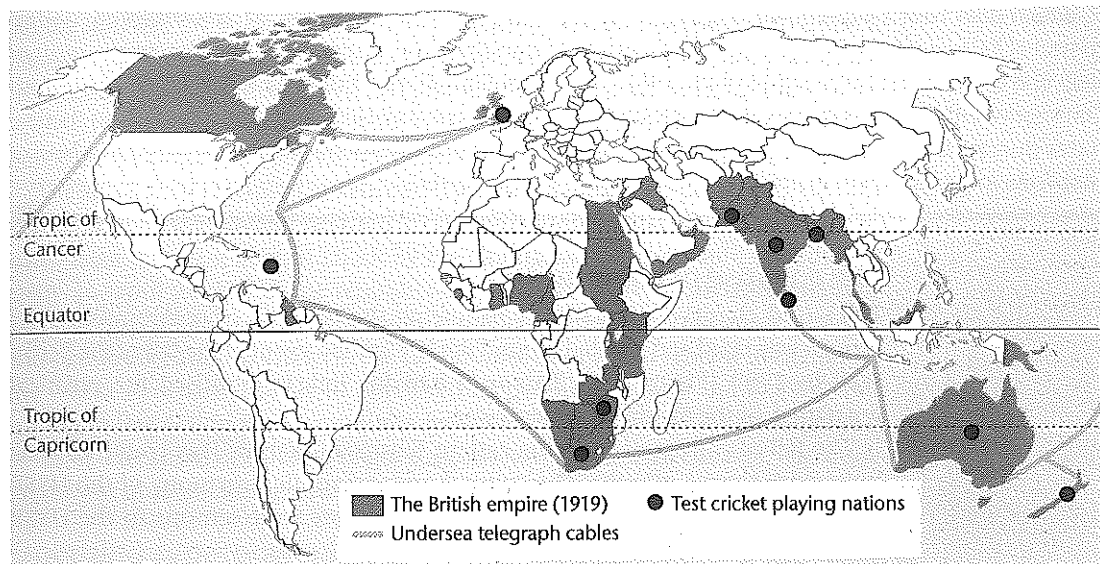
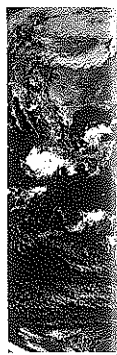


Figure 4.5 The network of undersea telegraph cables connecting the British empire in 1910: the internet of the Edwardian era

Case study

The rise and fall of the British empire

The British empire was founded on exploration and sea power. The Royal Navy dominated the high seas from around 1700 until the 1930s. The Navy provided a link between the home country

and overseas colonies, and at the same time was a powerful 'keep off' symbol of military power. Three distinct phases of empire can be identified (Table 4.3).

Table 4.3 Three phases in the history of the British empire

<p>The mercantilist phase (1600–1850)</p>	<p>Small colonies set up on coastal fringes and islands, e.g. New England, Jamaica, Accra, Bombay, defended by forts Focus on trade, including slaves and raw materials such as sugar Private trading companies such as the Royal African Company, Hudson's Bay Company and East India Company, defended by British forces</p>
<p>The imperial phase (1850–1945)</p>	<p>Coastal colonies extended inland; wholesale conquest of territories Religion and British culture (e.g. cricket) and language introduced to colonies Government and institutions set up to rule the colonial population Development of more complex trade networks Use of technology such as railways and telegraph (Figure 4.5) to connect distant parts of the empire</p>
<p>The decolonisation phase (1945–)</p>	<p>After the Second World War the UK is effectively bankrupt and cannot support the empire as before Anti-colonial movements grow, e.g. in India, increasing tensions; some colonies are granted independence The focus on postwar reconstruction at home sees the majority of colonies independent by 1970</p>

Britain does have a superpower legacy. It retains control of 14 overseas territories and fought a war to keep one of these, the Falkland Islands, in 1982. The Commonwealth is an association of 53 independent states (former British colonies) which consult and cooperate in the common interests of their peoples

and in the promotion of international understanding. The association does not have a written constitution, but it does have a series of agreements setting out its beliefs and objectives. Given its size, should the Commonwealth be regarded as a kind of superpower?

The collapse of communism

The world changed dramatically following the collapse of communism. The process was rapid and pivoted around the key 'public' event of the fall of the Berlin Wall in 1989 (Figure 4.6). This wall had for long symbolised the political separation of the Cold War superpowers.

The fall of communism in the eastern European Warsaw Pact countries took little more than 4 months. The cultural and economic hegemony of the USSR disintegrated overnight. The causes of the collapse were reforms in the USSR

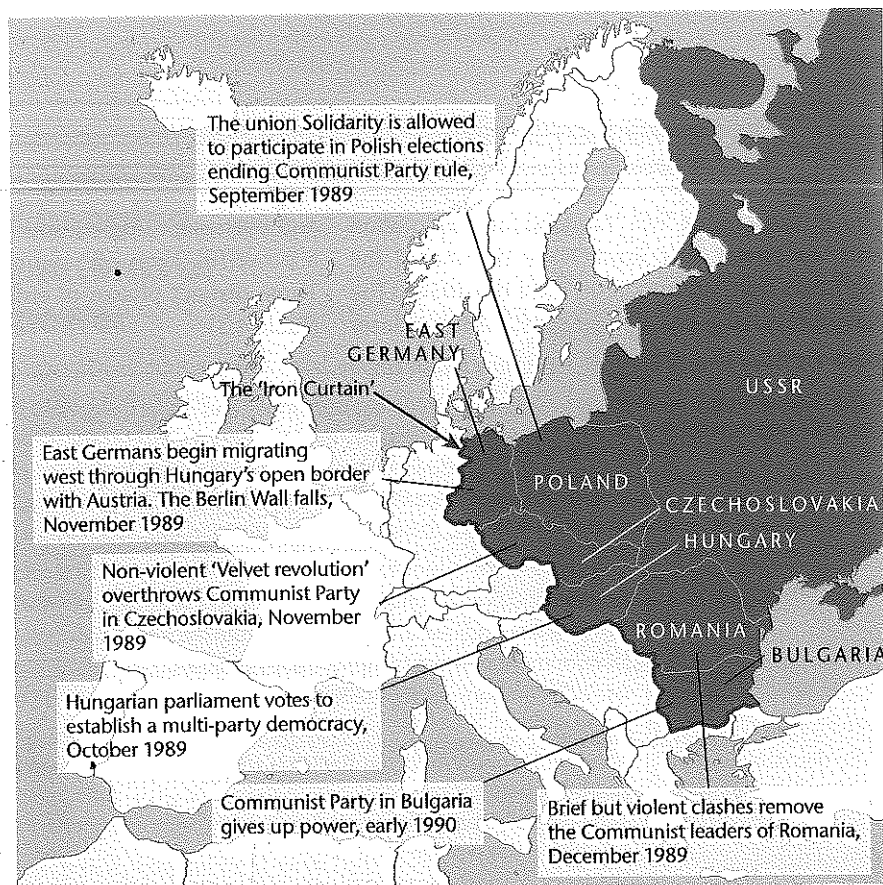


Figure 4.6 The collapse of communism in eastern Europe



begun in 1985 by President Mikhail Gorbachev. These reforms were termed *glasnost* (openness, such as increased freedom of speech) and *perestroika* (economic liberalisation, such as private ownership of small businesses). Economic and social reform spread to the Warsaw Pact countries, where small freedoms quickly mushroomed into open revolt against the Communist system.

The USSR itself collapsed in February 1990 when the Communist Party gave up its monopoly on power. This led to the break-up of the entire country, as nationalist tensions, kept in check by the Communist system, split the country apart. In rapid succession the republics of the USSR, such as Latvia, Kazakhstan and Georgia, broke away to become independent nations. In retrospect, *glasnost* and *perestroika* acted as cracks in the Communist dam which quickly undermined the whole structure. The USSR portrayed its people as happy and healthy and willing to live within the Communist system because of the collective benefits it brought. The speed of collapse might suggest force, rather than consent, was more important in maintaining communism.

Emerging superpowers

While some superpowers have declined or collapsed, others are emerging to challenge the dominance of the USA. These are the BRICs (Brazil, Russia, India and China), the EU and the oil-rich nations of the middle east (Figure 4.7).

The emerging superpowers share one or more of the following:

- strong economic growth
- large populations

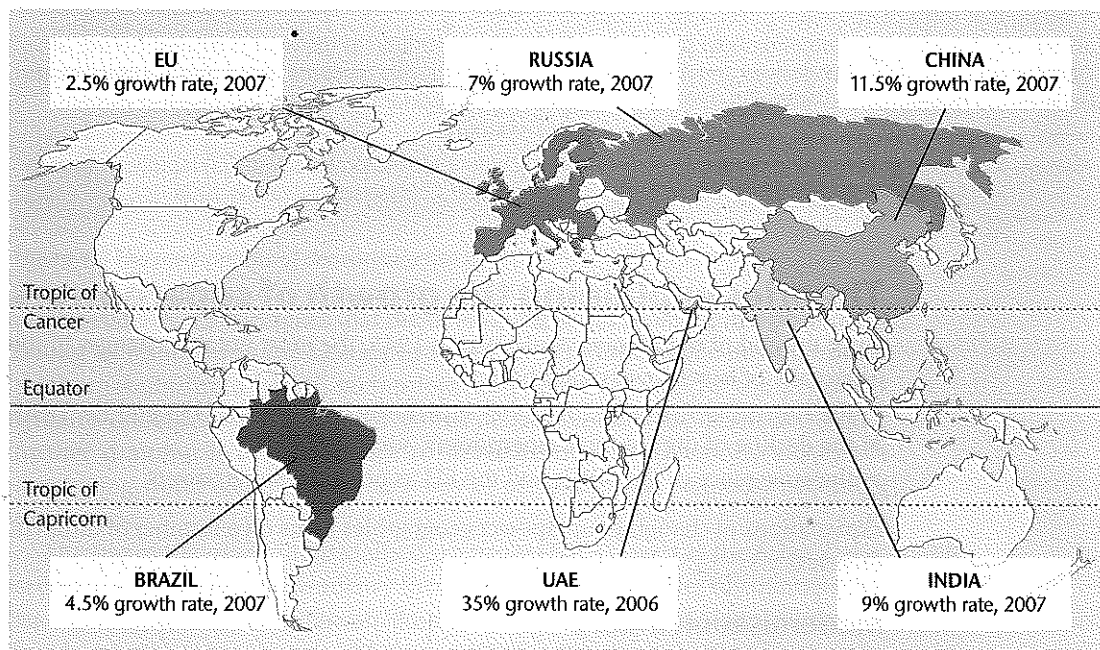


Figure 4.7 Emerging superpowers and economic growth rates

- access to key resources, especially fossil fuels
- market economies.
- regional power and influence.

In the next 20 years some are expected to increase their global power and influence. *Global Trends 2025: A Transformed World*, a report by the US National Intelligence Council in 2008, stated that:

- 'a global multi-polar system is emerging with the rise of China, India and others'
- 'the unprecedented shift in relative wealth and economic power roughly from West to East now under way will continue'
- 'the United States will remain the single most powerful country but will be less dominant'

Clearly the USA itself can feel its power weakening, especially in relation to China. There are many possible reasons for this that relate to both a weakening USA and a rising China (Table 4.4).

Table 4.4 The USA vs China

A weaker USA?	A more influential China?
Vulnerability to terrorist attacks, such as 9/11, removing its veneer of invincibility	The 2008 Beijing Olympic Games were a showcase of Chinese culture, ingenuity and technical prowess
Growing economic problems at home, such as the 2008 financial crisis, causing it to focus more on internal affairs	Chinese companies are beginning to become world players. In 2008, 70 of the world's largest companies were Chinese, compared to only 30 in 2002
A feeling that some of its foreign policy actions, such as the Iraq War and detention of terrorist suspects in Guantanamo Bay, were ill-conceived and have undermined its international authority	China's position as the world's biggest emitter of carbon dioxide gives it a new status and increasingly important role in the fight against global warming
Increased dependence on foreign oil and gas imports weakens its economic bargaining power	Chinese technology is advancing rapidly, as seen in the first Chinese space-walk in 2008

Theories explaining the growth of superpowers

Since the end of the Second World War in 1945, the most notable changes in the geography of superpowers have been:

- the superpower struggle for global superiority between the USA and the USSR
- the decline of the colonial superpowers, such as the UK
- the emergence of the BRICs and the EU as potential superpowers

Explanations of changing superpower geographies focus on a number of different theories.

Modernisation theory

In the 1960s W. W. Rostow's modernisation theory was used to explain the dominance of the British empire and the USA. These were the first nations to

experience the Industrial Revolution and this gave them an initial advantage over as yet unindustrialised countries and regions.

Rostow believed the economies of developed countries moved through five stages of economic development (see Figure 5.6, page 137) and that all countries would follow the same development pathway. Rostow was a strong believer in free trade and in a Western model of democracy and capitalism. Socialist and communist countries, such as the USSR, Cuba and at that time China, could not expect to develop unless they adopted this model. Rostow's model was influential and led to many developing countries attempting to create the preconditions for take-off by investing in key infrastructure and industries. Some of these countries, such as the Asian Tigers, succeeded, while others failed and found themselves burdened by debt.

Dependency theory

Dependency theory, based on the work of A. G. Frank, views the world as having an economically developed core and an underdeveloped periphery. According to the theory, the capitalist core deliberately keeps the periphery in a state of underdevelopment by exploiting its cheap resources, taking its most skilled workers and selling it manufactured goods (Figure 4.8). By this argument, the developing world actually helps the developed world to become wealthier. Frank called this 'the development of underdevelopment'.

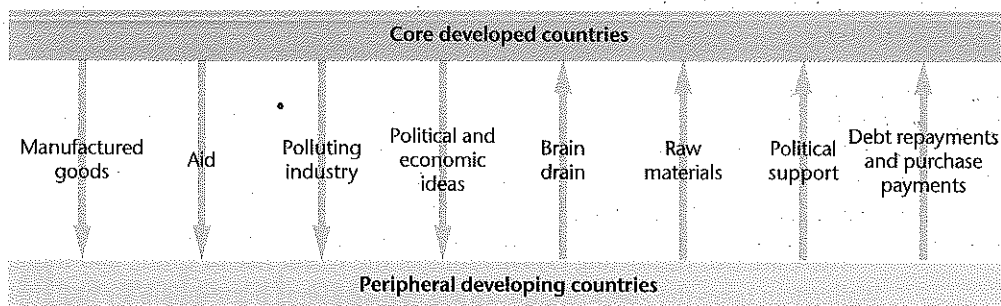


Figure 4.8 The mechanisms of dependency theory

Dependency theory argues that the developing world is placed in a position of selling its resources to the developed world for very little, while buying from it costly manufactured goods, technology and credit (loans). As the periphery remains underdeveloped, its most skilled people move to the developed world, further draining it of any chance to develop. Using this model, aid to the developing world could be seen as a way of preventing the periphery becoming too restless.

The rise of the newly industrialised countries (NICs), such as the Asian Tigers, seems to argue against dependency theory, as they are examples of countries that have developed. However, Taiwan, South Korea, Singapore and Japan all received huge economic support and aid from the USA, as it was felt that strong capitalist economies in Asia were a way of containing Communist China.

World systems theory

Wallerstein's world systems theory attempts to overcome the problem of a two-tier core and periphery world. More of an analysis of geographical patterns than a theory, Wallerstein's view is of a three-tier world (Figure 4.9). This is a more dynamic model, as it allows for change to take place, with some countries entering the semi-periphery and even emerging to be part of the core. Frank's dependency theory, based on Marxist ideas of 'the rich versus the poor', is much more static.

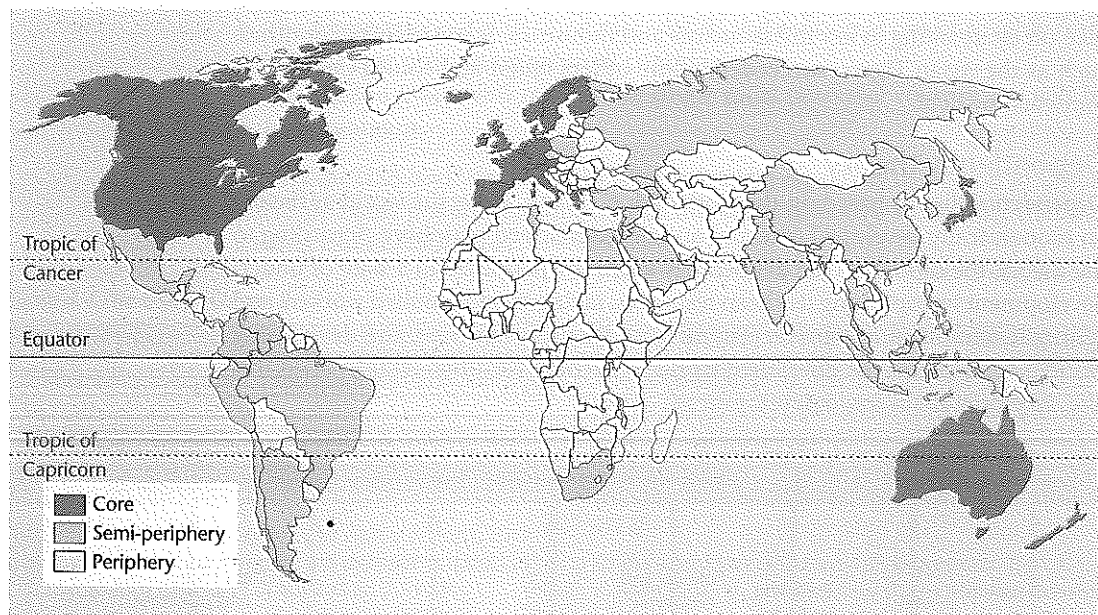


Figure 4.9 Core, semi-periphery and periphery, 2000 (after Klak, 2002)

There are two conflicting explanations of the recent rise of China and India. Wallerstein takes the view that industrial capitalism was born in Europe and that the rise of China and India simply represents another stage in the growth and spread of the global economy. In contrast, the US economist Frank sees the current situation as simply a shift back to a much older world order, when India and China were powerful economic forces. This global system was replaced for some 500 years by European hegemony. Frank views Britain and other European powers as the first NICs. What remains unexplained is why the global centre of gravity should swing, first from Asia to Europe, and then back again.

Case study

China and India compared

China and India are two emerging superpowers, with vast populations: 1.3 billion in China and 1.2 billion in India. Both emerged as truly independent

states in the 1940s, but have taken different paths to development.

Table 4.5 compares the two countries.



Table 4.5 India and China compared

	China	India
Population	1.3 billion	1.2 billion
Political and economic history	Early centre of civilisation Dominant global power for 2,000 years Decline in the nineteenth century, hastened by Japanese invasion and European interference Manufacturing impressed European visitors with its complexity and sophistication In 1985, 33% of global manufacturing production was Chinese	Early centre of civilisation Fell under the influence of European colonial powers in the eighteenth century Direct colonial rule by Britain in the nineteenth century During the nineteenth century, India was responsible for 15% of global manufacturing Active struggle for independence begins in the early twentieth century
Key date	Communist revolution, 1949	Independence from Britain, 1947
Path to development	State-led industrialisation and intensification of agriculture Largely cut off from rest of world, 1949–80 Increasing economic reform and liberalisation since 1980, leading to an explosion of foreign investment, manufacturing and trade	Policy of economic and political independence and home-grown technology High import tariffs, gradually lowered after 1990 Still a predominantly rural society, it has built a very powerful and increasingly global economy
Relations with other superpowers	Uneasy, sometimes hostile relationships with the former USSR, Russia and the USA Relations with the USA thawed in the early 1970s as the USA sought to prevent a communist alliance between China and the USSR In recent years, China has sought economic and political stability in Asia	Following independence India was 'neutral', steering a pathway between the USA and USSR Neither of the superpowers was happy with this policy India has worked hard to establish good relationships with other 'neutral' countries to enhance its role internationally

The role of superpowers

What impacts and influence do superpowers have?

By the end of this section you should:

- know how power is exercised both directly and indirectly
- be aware of the role of superpowers in international decision making
- understand the importance of controlling trade
- have a feel for the idea of a developing 'global culture'

The maintenance of power

Once gained, superpower status has to be maintained. How this is achieved has changed over time.

As recently as 1945, large parts of the world were under colonial rule. Most colonial powers were European, although the USA did maintain some colonies,

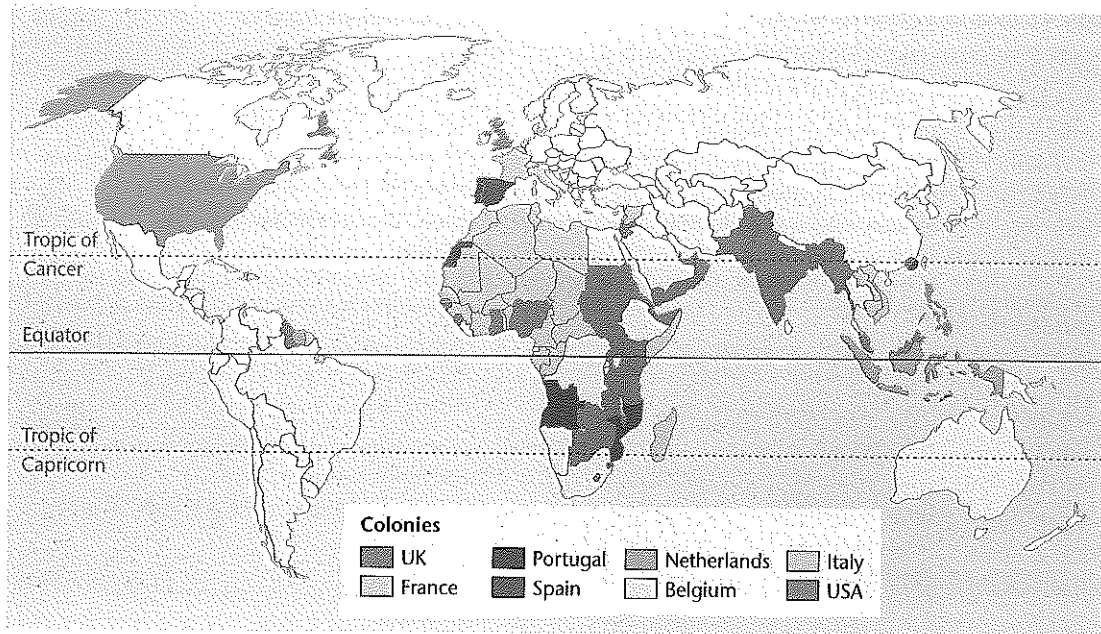


Figure 4.10 The colonial world, 1945

e.g. the Philippines (Figure 4.10). Colonial rule usually had a number of distinct phases:

- exploration, resulting in the 'discovery' of new lands
- initial settlement, usually on coasts, in defended forts
- the beginnings of trade in raw materials
- gradual extension of rule over larger territories by direct military action and conquest
- the development of political systems and institutions and transport and trade networks both to rule the colony and to exploit its resources

Some colonies became relatively peaceful places, but the threat of military action against insurgents was ever-present and indigenous people usually lacked freedoms, living mostly in poverty.

Case study

Colonial India

In India today it is possible to see the legacy of British rule. In order to maintain power, British military personnel, civil servants and businessmen emigrated to run the Raj. Symbols of power were built, such as the residence of the governor-general of India in Delhi. A process of acculturation was undertaken as British traditions such as cricket and tea-drinking, and crucially the English language, were

introduced. A strict social order was maintained, differentiating between the ruling white British and the Indians.

India was 'modernised' so that its economy could better serve the needs of the mother country. Perhaps the most durable feature of this process was the railway system built by the British (Photograph 4.2). By 1880, 14,000 km of railway had been built:



Photograph 4.2 India's railways are a colonial legacy

by 1920, 61,000 km. This hugely improved transport and trade, but also allowed more efficient military transport – useful when putting down rebellions.

When independence was granted in 1947 there followed a period of chaos as colonial India was partitioned (Figure 4.11).

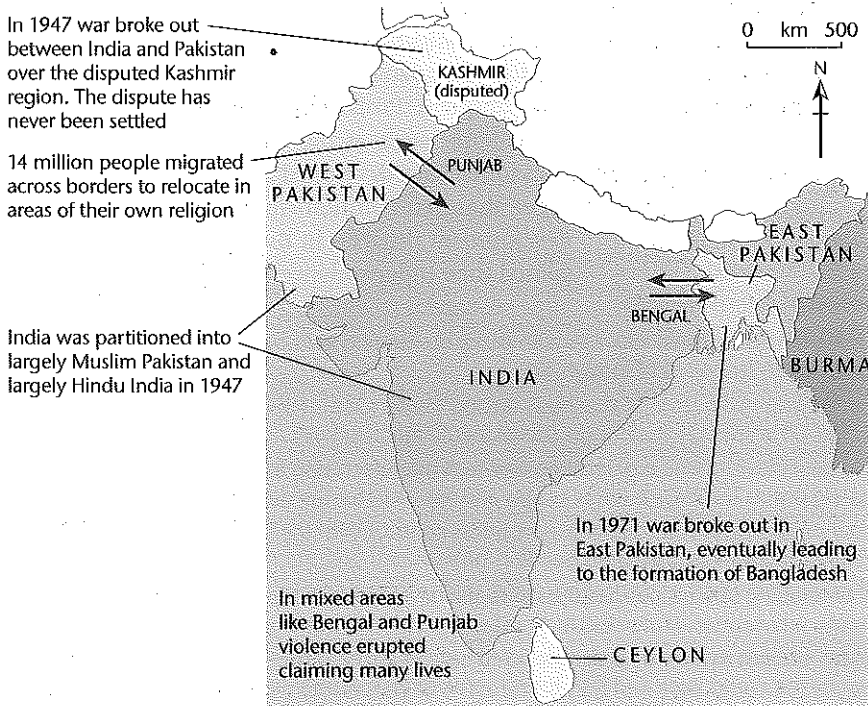


Figure 4.11
The partition of India and its consequences

In many colonies, the era of decolonisation and independence brought conflict and division rather than the immediate freedom and prosperity people hoped for.

- In many countries, colonial borders did not reflect religious and ethnic boundaries, which led to conflict over territory.
- Although colonies had government institutions, indigenous people had been excluded from running them, so experience in governance was lacking.
- As colonial powers packed up and left, insurgents took the opportunity to push them out, which resulted in violence.

Neo-colonialism

Neo-colonialism refers to a form of indirect control over developing countries, most of them former colonies. After decolonisation and independence, some new national leaders argued that their countries were being subjected to a new form of colonialism, waged by the former colonial powers and other developed nations.

The term neo-colonialism was first used by Kwame Nkrumah, the first president of independent Ghana. He regarded neo-colonialism as worse than colonialism because, as he put it,

Neo-colonialism is...the worst form of imperialism. For those who practise it, it means power without responsibility and for those who suffer from it, it means exploitation without redress. In the days of old-fashioned colonialism, the imperial power had at least to explain and justify at home the actions it was taking abroad. In the colony those who served the ruling imperial power could at least look to its protection against any violent move by their opponents. With neo-colonialism neither is the case.

Neo-colonialism is most often linked to Africa and is used as an explanation for the lack of development in that continent. Proponents of neo-colonialism point to evidence such as the share of world trade that goes to the least developed countries (Figure 4.12) to argue that neo-colonialism has prevented any real development progress in the 40 years since colonies gained their independence.

Figure 4.12 World trade shares, 2002

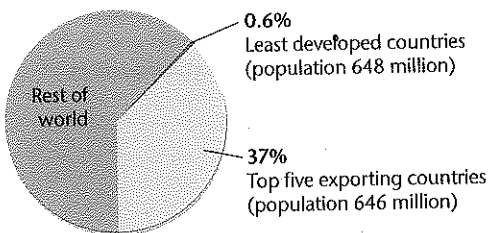


Table 4.6 Possible mechanisms of neo-colonialism

Strategic alliances	The USA and USSR formed alliances with many developing nations to spread their global influence, often by means of foreign aid
Aid	Aid can be given with 'strings attached', forcing the recipients (developing countries) to spend the aid in the way the donors (developed countries) wish
TNCs	Foreign direct investment, e.g. locating low-tech manufacturing in the developing world, means big profits for TNCs but low wages and few skills for the developing world
Terms of trade	Low raw material and commodity export prices contrast with the high prices the developing world must pay for manufactured goods
Global finance and debt	Many developing nations pay huge sums to the developed world each year in debt interest payments, which often exceed aid receipts
Structural adjustment policies (SAPs)	Countries wishing to have their debt relieved have to apply Western economic policies devised by the World Bank and IMF, losing some of their economic sovereignty



Neo-colonialism is a theory which cannot be proved, but its supporters point to a number of mechanisms which work to allow the developed world to maintain control over parts of the developing world (Table 4.6). Neo-colonialism is really an extension of dependency theory.

International decision making

The leaders of the world's superpowers and emerging powers are frequently on the international stage making key decisions about the world economy, conflicts or environmental issues. Global economic and political power is in the hands of a small number of players in the form of **inter-governmental organisations (IGOs)**. These organisations have largely been created by the global powers. Many date from the Bretton Woods conference in 1944, when the allies set about creating postwar institutions that would prevent future wars and ensure the world economy ran more effectively than in the pre-war period (which included the Great Depression of the 1930s). Critics of IGOs argue that they were set up by superpowers, for superpowers. The key IGOs are shown in Table 4.7.

Table 4.7 Inter-governmental organisations

Organisation	Founding date	Headquarters	Function
International Monetary Fund (IMF)	1944	Washington DC	To monitor the economic and financial development of countries and to lend money when countries are facing financial difficulties
World Bank	1944	Washington DC	To give advice, loans and grants for the reduction of poverty and the promotion of economic development
United Nations (UN)	1945	New York	To prevent war and to arbitrate on international disputes. It has since developed a wide range of specialist agencies dealing with matters such as health and refugees
World Trade Organization (WTO)	1995	Geneva	Trade policy, agreements and settling disputes. It promotes global free trade. Formerly known as GATT (between 1947 and 1994)
North Atlantic Treaty Organization (NATO)	1949	Brussels	A military alliance between European countries and the USA. Recent new members include Poland
Organisation for Economic Co-operation and Development (OECD)	1961	Paris	Analysis of economic development. Forecasting and researching development issues. Most developed-world countries are members

The G8

Some global organisations are less formal and have a very restricted membership. The G8 (Group of 8) is a good example. It is a forum for the world's richest and most powerful nations. Annual summits are held, although these are informal meetings about the global policy direction the Western democracies should take. When G8 leaders meet they represent:

- 65% of global GNP, but only 14% of the world's population

- the holders of most of the world's nuclear weapons, with combined annual military spending of US\$850 billion in 2007

Russia was first invited to a G7 meeting in 1997, thus forming the G8. This inclusion was an acceptance of Russia's importance as a nuclear and energy resource power.

Power in IGOs

There is a significant overlap in membership of IGOs which gives some powers, especially the EU and the USA, the ability to focus global policy and decision making in their own interests. Most IGOs operate some form of veto policy, and powers such as the EU and the USA tend to vote with each other. This gives them the opportunity to block policy they do not like, and force through their own policies. Table 4.8 shows that emerging powers such as China and India are less influential within IGOs at the moment, although this may change in the future.

Table 4.8
Membership of IGOs (green cells show members)

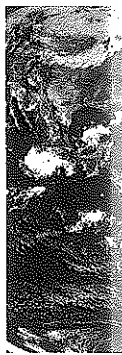
International organisation	Canada	Some EU countries	Japan	Russia	UK	USA	China	India
G8 member country								
Permanent member of the UN Security Council								
Member of NATO (North Atlantic Treaty Organization)								
Member of the OECD (Organisation for Economic Co-operation and Development)								
3% or more of votes at the IMF (International Monetary Fund)		30%	6%		5%	17%		

Few countries are capable of taking large-scale unilateral actions today. The Iraq War saw the USA effectively 'go it alone', with some support from the UK and other countries. More often IGOs are used, for instance:

- the NATO-led peacekeeping in former Yugoslavia in 1995–96 and from 2001 in Afghanistan
- G8-led attempts to focus on the issue of debt and poverty reduction in Africa
- EU attempts to force through deep carbon emissions cuts targets at the Bali summit in 2007

Emerging powers

While the 'old' powers of the EU and the USA still have considerable clout, there are signs that emerging powers are gaining ground. In November 2008 the G20 Leaders' Summit on Financial Markets and the World Economy was held in Washington DC. This summit discussed responses to the 2008 global financial crisis. The G20 includes Brazil, China, India, Russia and Saudi Arabia – perhaps reflecting an emerging new world economic order.



Davos Group

The World Economic Forum (WEF or Davos Group) is a Swiss-based non-profit-making foundation with the motto 'entrepreneurship in the global public interest'. As this might suggest, its focus is on business and profits. The WEF holds an annual invitation-only meeting in Davos, Switzerland. Those regularly attending the meetings at Davos include:

- business CEOs
- academics
- political leaders
- IGO representatives
- the media

The forum has come under fire from anti-globalisation campaigners and those who see capitalism as creating inequality. Rock singer Bono dubbed the annual meeting 'fat cats in the snow'. Some observers are suspicious of the Davos Group because it has no 'official' status yet is attended by presidents and prime ministers (as well as Hollywood A-listers).

The nature and control of trade

The nature of global trade is that free trade has come to dominate trading relations. The WTO has led a series of trade agreements since the 1950s which have removed:

- taxes and tariffs on imports
- quotas on imports
- subsidies for domestic producers

The result has been a huge growth in trade and wealth. Some parts of the world have benefited from trade growth (Figure 4.13), such as Asia, and in particular China and India. On the other hand, Africa's share of world trade has declined since 1970. These trends have several explanations.

- International trade is very much in the hands of the TNCs. These have chosen to invest heavily in India and China but not in Africa.
- In Asia, free trade zones have been used to attract investment by offering companies tax breaks, non-union areas and limited regulation.

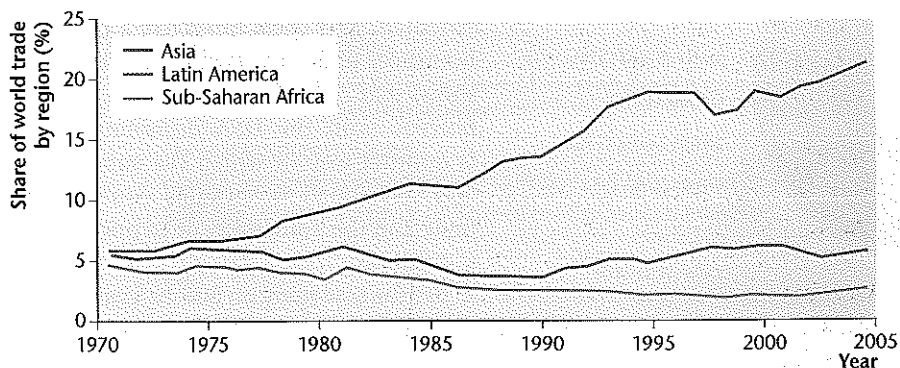


Figure 4.13 Trends in share of world trade, 1970–2005

- Africa will remain unattractive to much investment until it has more developed infrastructure, higher skills levels and greater political stability.

Free trade?

Trade has certainly become freer, but for some countries this is an illusion. Much trade takes place between countries which are members of trade blocs such as the EU, NAFTA and ASEAN. Trade within a bloc tends to be tariff-free. Trade between blocs may also have low tariffs if agreements have been reached. For developing countries outside any trade bloc, there can still be considerable trade barriers which prevent access to markets.

Many African countries are still trapped in a colonial trade pattern of exporting raw materials such as coffee, copper and timber to the developed world. The prices of commodities are set on the global stock exchanges and are prone to extreme volatility. Figure 4.14 shows how commodity prices rose steadily between November 2007 and July 2008 – good news for African exporters – only to collapse by November 2008, leaving exporters 20% worse off than they had been 12 months earlier.

Figure 4.14 The AIG commodity price index, November 2007–November 2008

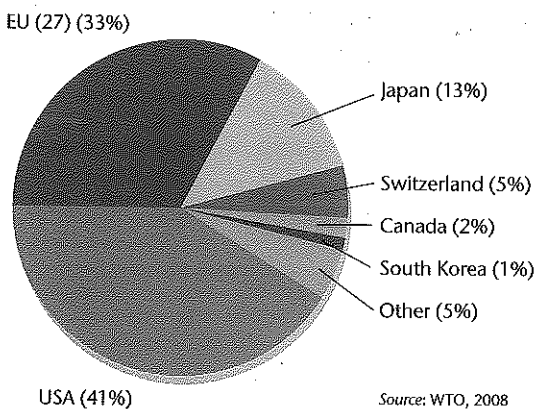
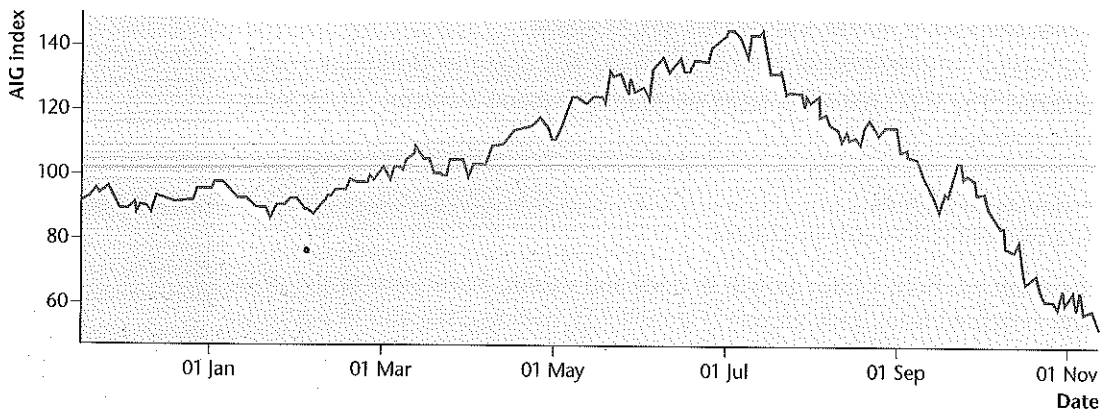


Figure 4.15 Global receipt of royalties and licence fees, 2006

Control

The superpower economies also control innovation and technology. New inventions such as drugs, microchips and engines are patented, and users must pay a royalty or licence fee to use the technology. Figure 4.15 shows that 75% of these fees go to just three powers, with the USA dominating. This is another way in which the superpowers and developed economies control both trade and the availability of technology and innovation.

See the case study on Europe's gas pipeline war (Chapter 1, page 17) for a discussion of power struggles over energy supply.



Global culture

We have seen how modernisation might be used to explain the position of the USA and the European colonial superpowers. Followers of modernisation theory viewed traditional cultures as 'pre-modern' and in some ways a barrier to development. From the standpoint of the USA and the EU, as powerful capitalist economies, the path to power was one where the relationship between businesses and workers was maximised. Traditional ethnic, religious and kinship cultural ties could be seen as largely irrelevant to the pursuit of profit and power.

The dominance of the USA as an unrivalled superpower since 1990, plus the growing power of the EU, has led some people to identify a global culture. It is difficult to define exactly what this global culture is, but some characteristics are commonly linked to it:

- A culture of consumerism.
- A culture of capitalism and the importance of attaining wealth.
- A white, Anglo-Saxon culture with English as the dominant language.
- A culture that 'cherry picks' and adapts selected parts of other world cultures and absorbs them.

Americanisation

Global culture is most often exemplified by the ubiquity of consumer icons such as Coca-Cola and McDonald's (Photograph 4.3). It is fair to say these symbols are global. In the case of McDonald's, 31,000 restaurants worldwide are serving about 50 million people every day (see Figure 12.10, page 337). The USA is seen as the most powerful force in cultural globalisation, and the process is often referred to as 'Americanisation'.

Cultural globalisation is not quite as straightforward as might first appear, however. In India, McDonald's has had to adapt its menu to suit local tastes and the Hindu and Muslim religions. It does not sell beef or pork and has more vegetarian options than in the West (Table 4.9). Throughout the world this process of local adaptation or hybridisation occurs as global trends reach new areas.



Photograph 4.3 McDonald's in Bangkok, Thailand

Country	McDonald's adaptation
India	The Maharaja Mac, a Big Mac made of lamb or chicken meat McAloo Tikki, a vegetarian burger
Japan	Ebi Filet-O shrimp burgers Koroke Burger of mashed potato, cabbage and katsu sauce Ebi-Chiki, shrimp nuggets, and green tea-flavoured milkshake
Hong Kong	Rice Burger: burger sits between two rice patties rather than in a burger bun
Israel	Burgers are grilled over charcoal, not fried McKebab, with eastern seasoning, stuffed into a pita bread

Table 4.9 Adapting to local tastes

Cultural traffic

Working against the idea of a global culture is the fact that the cultural traffic is not all one way, and neither are American or Western lifestyles adopted wholesale around the world:

- In the UK the curry, not the American burger, is the most popular takeaway food. There are six times as many curry restaurants in the UK as there are McDonald's.
- Sushi, from Japan, has become an increasingly popular food in the West.
- Some cornerstones of American culture, such as American football and baseball, have proved difficult to export to the rest of the world.

One area where Americanisation is strong is cinema, as Hollywood movies tend to dominate the market. Arguably this is an effective way of exporting Western culture to the rest of the world.

Despite cultural globalisation, people around the world hold very different views on the merits of Western global capitalism. Table 4.10 shows how US exports are viewed around the world.

	% of people expressing positive views		
	US television and films	US science and technology	US ideas and customs spreading
France	65	71	18
Venezuela	71	76	37
Turkey	22	37	4
China	42	80	38
India	23	64	29
Kenya	51	87	45
Bangladesh	14	81	25

*Table 4.10
Differing views
of American
exports*

Backlash

The cultural backlash against the world's major superpower is complex. Anti-Americanism rose in the aftermath of the invasion of Iraq and George W. Bush proved an unpopular president (both at home and abroad). The anti-globalisation movement is often linked with anti-American sentiment because many global cultural icons, such as Coca-Cola, originate in the USA. It is difficult to separate negative views of American culture from negative views of American politics and foreign policy. In Table 4.10, US science and technology are generally seen as positive, but cultural exports such as ideas and media are viewed more negatively.

Superpower futures

What are the implications of the continued rise of new superpowers?

By the end of this section you should:

- *be aware of the resource implications of the rise of the new superpowers*

- understand the impact that the new superpowers will have on the older core countries
- have considered the likely impact of the shifting distribution of power on the global periphery
- realise that shifts in the distribution of power may cause increased tensions

The impact on resources

In the last 20 years new global powers have emerged. The 'newcomers' are Brazil, Russia, India and China – collectively known as the BRICs. As the EU has expanded to include 27 nations, its power as a bloc has grown. There has been spectacular economic growth in Gulf states such as the UAE, Qatar and Bahrain. Economic growth in the emerging powers has had some obvious benefits: for example, China has lifted 200 million people out of poverty since 1990. In Brazil income growth has expanded the middle class and shrunk the number of people in poverty (Figure 4.16).

However, this economic development is raising a number of concerns, including:

- the accelerating rise in the demand for energy and other resources
- the impact on the environment – from global warming to localised river pollution
- the uneven distribution of the benefits of economic growth, with growing inequality between the urban rich and rural poor

The last of these concerns could create internal tensions that might destabilise and derail economic growth.

Energy

The pressure on energy and other resources can be illustrated by car ownership. In 2003, 13.6 out of every 1,000 urban households in China had a car (Figure 4.17). The highest ownership rates were in Beijing (66 per 1,000) and Guangdong (43.7 per 1,000). In the same year, the car ownership rate in the USA was 750 per 1,000. If India and China achieve future car ownership levels even half of those in the USA, there will be double the current number of cars in the world.

The rapid rise in oil prices in 2007 and 2008 was the outcome of rising demand and stagnating supply. Oil may be being pumped out of the ground at a faster rate than new reserves are being discovered.

A key resource concern is the path India and China take as they continue to grow economically and gain power. If growth

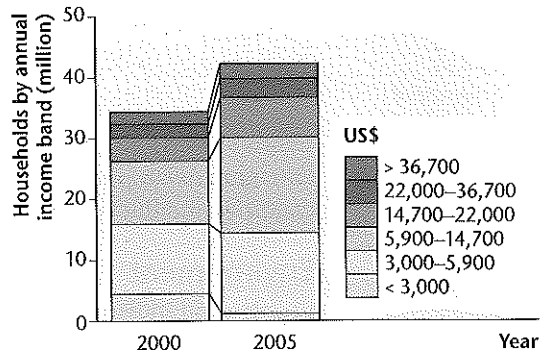


Figure 4.16 Changing income distribution in Brazil

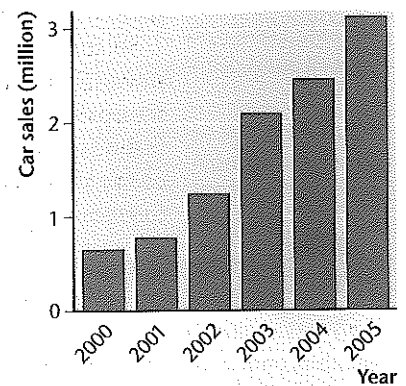


Figure 4.17 Growth in car sales in China

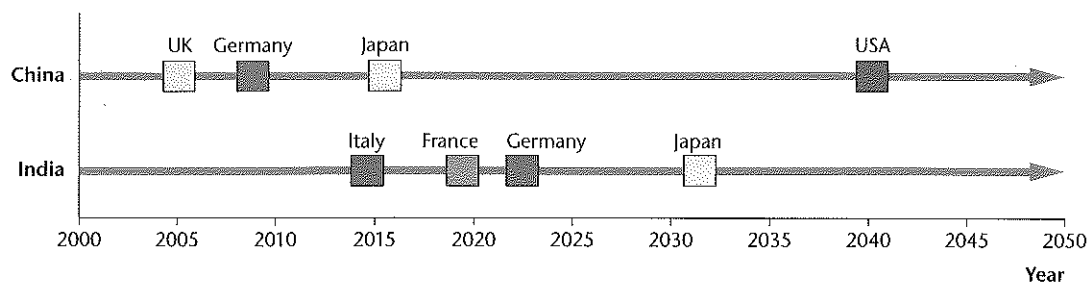


Figure 4.18
Achievement of
income equivalence
with the developed
economies by India
and China:
projections

Source: National Intelligence Council, 2007

trends since 1990 continue, some time in the first half of this century the two emerging Asian powers will reach total GDP levels similar to those of the EU countries and the USA today (Figure 4.18).

Environment

Chinese and Indian ecological footprints might be similar to those of the EU and the USA by 2040, which would place huge pressure on water, energy and land resources. In reality this sort of future is probably unachievable, as current known oil, gas, water and farmland resources simply could not support such consumption levels. Such a level of global consumption might be possible with a dramatic shift toward use of renewable resources. This would involve radical restructuring of the way humans consume resources.

The impact on the older core regions

The rise of the emerging superpowers has enormous implications for the rest of the world, not least the citizens and governments of those countries that have enjoyed both political power and economic wealth. Until recently the emergence of new economic superpowers was seen by the established powers as more of an opportunity than a challenge. The EU, Japan and the USA have experienced economic growth and falling consumer prices driven by the explosion of economic activity in semi-peripheral NICs and RICs.

In the future there may be uncomfortable power shifts. One likely cause is dwindling fossil fuel supplies. As oil becomes scarcer and more expensive, tensions may begin to build. There may be potential for conflict between the major consumers of oil as they seek to secure supply (see Figure 1.4, page 8). Some of the powers, such as Russia and the Gulf states, have their own oil and gas reserves. In the future this could be a source of increased power.

Case study

Russia and its energy exports

Russia's economy relies on crude oil and natural gas exports. In the last 20 years it has uncovered significant reserves of both oil and gas in its Siberian provinces. These could add significantly to Russia's

global power. Russia has developed important export partnerships to the east (China) and the west (Europe). Figure 4.19 shows Russia's present and proposed pipeline network. Russia depends on the

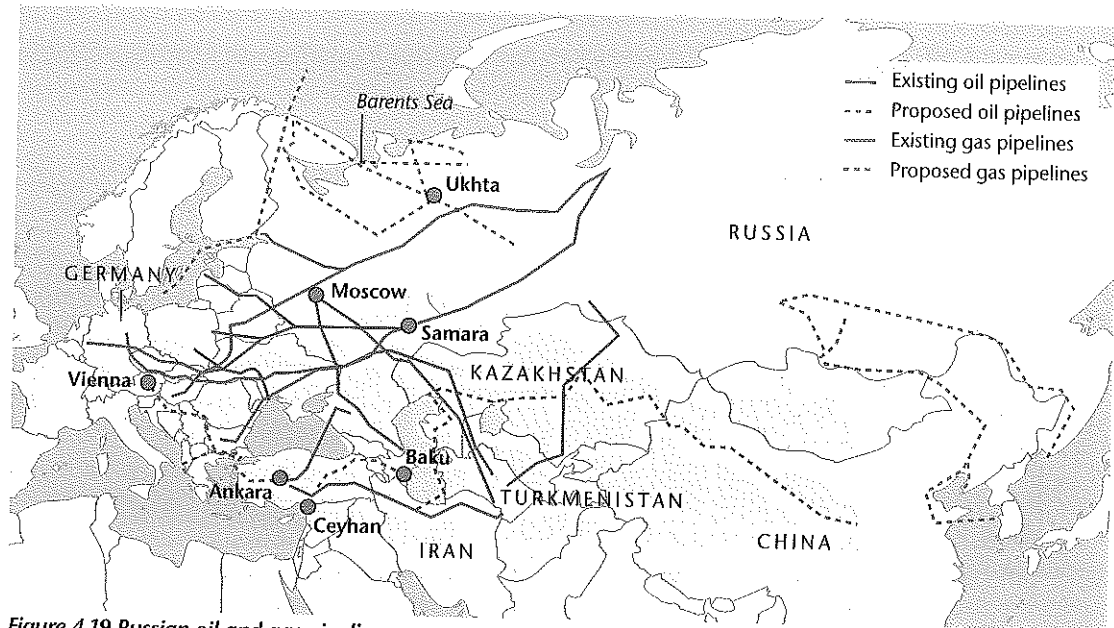


Figure 4.19 Russian oil and gas pipelines

European market to buy 80% of its oil exports, but the USA is keen to become a buyer and China's demand for oil is ever-growing.

During the past decade, China has joined Japan and South Korea as a major importer of crude oil from the middle east. This region supplies

- almost 50% of China's oil
- 80% of Japan and South Korea's oil

All three countries are in need of alternative crude oil sources and supply routes. Russia would seem to be the obvious source.

Asia's great cities need to reduce air pollution by switching to natural gas. Already the liquefied natural gas (LNG) imports of Japan, South Korea and Taiwan account for nearly 80% of all traded LNG. Much of this comes from south Asia and Australia. For mainland China, the cost of LNG has been a constraint, and it has been looking for more cost-effective ways of increasing its access to natural gas. An obvious source would be the large hydrocarbon reserves in nearby Siberia and Sakhalin Island.

In a world where energy resources are increasingly significant, the potentially vast fields of oil and

gas that underlie Russia's Siberian provinces are a key card in international affairs.

Natural resource reserves have given Russia increased global significance and confidence. The impacts of this have been felt by several countries:

- In 2006 Russia cut its gas supplies to Ukraine for 3 days over a payment dispute, and in March 2008 it reduced supplies to its neighbour by 25%.
- In August 2008 Russian troops entered Georgia, leading to a short conflict and international crisis.
- In August 2007 Russian submarines planted two flags on the Arctic seabed, effectively claiming sovereignty over a large area of the Arctic thought to have oil reserves.
- Russia has repeatedly warned the USA not to expand NATO into eastern Europe or to site missiles there.
- Russian gas supplies to Ukraine and the EU were cut off in 2008–09.

All of these actions have raised international tensions and led some people to speak of a 'new Cold War'. Taken together, they warn the USA to keep out of what Russia considers its sphere of influence.

Preserving prosperity

Cheaper food, cheaper clothing and electronics from China have benefited people in the USA and the EU. They have come to terms with increasing dependence on the emerging power, believing that their own wealth is assured by their ownership of the quaternary industry, high-tech research facilities and dominance of global finance and services. This belief has been dealt a double blow by:

- increased outsourcing of research and technology jobs, especially to India
- financial turmoil in the banking sector during the 2008 credit crunch

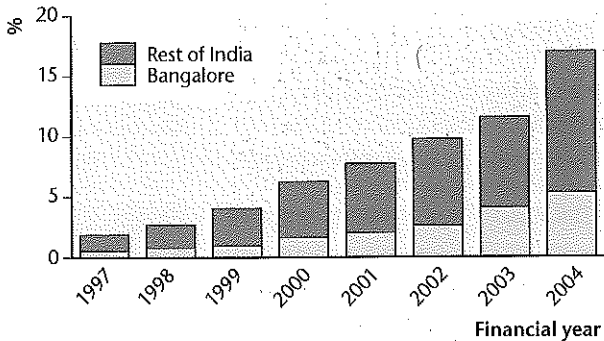


Figure 4.20 Growth of software exports from Bangalore and India

Major global technology players, such as Microsoft and Apple, have established research facilities in China and India (Figure 4.20). Rather than bring these countries' graduates to the 'global villages' of core countries, they have gone to the source of that innovative and imaginative labour force. The worry is that these mega-corporations owe no loyalty to their home country. Outsourcing of jobs has become a key concern for many Americans.

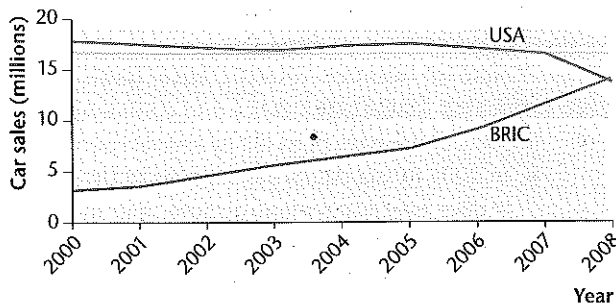


Figure 4.21 Car sales in the BRICs and the USA

Restructuring

In the USA a painful period of economic restructuring is likely to continue for some time. The US car industry is a case in point. Once pre-eminent in the world, it has shrunk drastically since the 1970s. As Figure 4.21 shows, the USA is an important market for cars but the BRICs have caught up.

Detroit's big three, Chrysler, Ford and General Motors, were begging the US government for financial help in December 2008 to avoid collapse. Lack of investment and a failure to compete with Japanese car technology brought Detroit to its knees. In 2008, the top five best-selling cars in the USA were Japanese in origin. Chinese car companies are gearing up to launch themselves on world markets.

- Dongfeng is investing US\$1.3 billion in a research and development centre and factory in Wuhan with a capacity of 333,000 vehicles a year.
- FAW has committed US\$1.8 billion to developing vehicles between now and 2015.
- By 2015 Geely will produce 1.7 million cars a year from nine factories in China and overseas plants planned in Mexico, South Africa, Indonesia, Ukraine and Russia.
- Chery is planning a fourth factory with a capacity of 200,000 cars, bringing its total capacity to 850,000 units by 2010.

Detroit's big three, Chrysler, Ford and General Motors, were begging the US



Anthony Thompson

Photograph 4.4
The future of the US car industry?

The future for the US car industry, once a symbol of the country's superpower might, is likely to be intensified global competition (Photograph 4.4).

Space

The EU and the USA may need to get used to competition from the emerging powers in other areas. A key area of US international prestige since the 1960s has been the exploration of space. The USSR won the first few rounds of the 'space race' by launching the first satellite in 1957 and completing the first manned space mission in 1961. The USA then threw the entire might of its military industrial complex behind a moon landing, which it achieved in 1969. By the 1970s the race fizzled out, and US dominance of space was ensured with the development of its space shuttle and the collapse of the USSR in 1991. In recent years, new competition has emerged to challenge NASA's number one position (Table 4.11).

Table 4.11 The twenty-first-century space race

USA	Europe	Russia	India	China	Japan
National Aeronautics and Space Administration (NASA)	European Space Agency (ESA)	Roskosmos (RKA)	Indian Space Research Organisation (ISRO)	China National Space Administration (CNSA)	Japan Aerospace Exploration Agency (JAXA)
Planning its <i>Orion</i> launch vehicle to replace the space shuttle. Aims to build a moon base by 2020, and visit Mars by 2037.	Focuses on unmanned exploration but may plan future manned missions.	Planning a manned, reusable spacecraft called <i>Kliper</i> to begin missions in 2015.	Planning manned missions to begin in 2015 using its GLSV-III rockets.	Planning its own space station, and to land a probe on the moon by 2010. Plans manned Mars missions by 2040–60.	Planning independent manned missions and a lunar base by 2030.

The emerging powers and the majority of the world

Many developing nations, especially in Africa, could be forgiven for envying the rise of China and India. Despite the rise of the BRICs, the majority of the world still lives in the developing 'South'. The growing prosperity of the BRICs is unevenly distributed inside those countries. In China, the prosperous, urban coastal zone is in sharp contrast to the poor, rural interior (Figure 4.22). In India the growing middle class is concentrated in cities and the southern states.

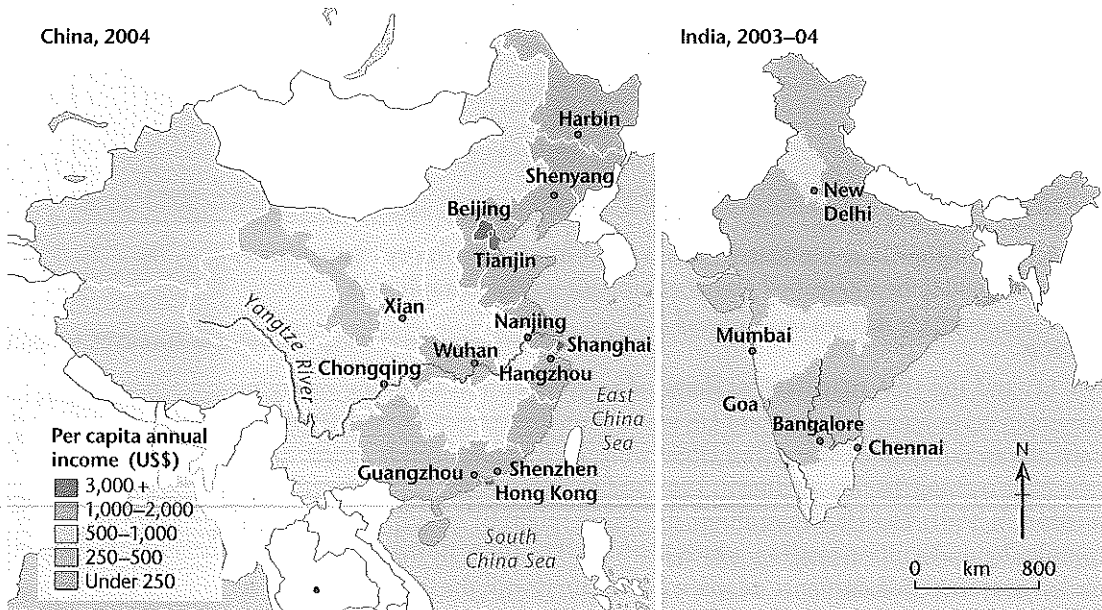


Figure 4.22 Income inequality in China and India, 2004

Opportunities

Will the emerging powers provide the developing world with new opportunities, or more of the same? Growing economies demand resources, some human and some physical. The growing Gulf state economies are rapidly diversifying away from oil and gas towards tourism, services, and research and development. This has generated a spectacular building boom in the UAE, Qatar and Bahrain (Photograph 4.5). The construction workers required come from Pakistan and India:

It was the birth of his second daughter that finally forced Raju Singh's decision to leave home. The stonemason borrowed \$2,500 from a labor recruiter in his village in Rajasthan to pay for an air ticket to Dubai. Three years on, his dream seems as elusive as a desert mirage. In February he finally paid off his debts to the labor recruiter in Rajasthan, including 42% interest on the loan. Sitting in a labor camp in the sprawling workers' district of Sonapur outside Dubai, Singh says he now spends most of his monthly income of about \$190 feeding himself. Six days a week he wakes at 4 a.m. to travel to the building site, where he begins his 11-hour day at 6.30 a.m.

(Time Magazine, 2008)



*Photograph
Building the future
in Dubai. The non-
airconditioned
buses transport
migrant
construction
workers from their
desert camps to the
building sites*

Raju might be forgiven for comparing himself to an Irish navy building Britain's canals and railways in the eighteenth and nineteenth centuries. The low-skill migrant worker's story does not seem to change even if the superpowers do.

Resources

The BRICs are in need of physical as well as human resources to fuel their economic growth. It has been estimated that China alone accounted for over 40% of the total growth in the global demand for oil in 2003–08. Of all the global arenas, Africa is probably the most disputed today. As a continent it has huge mineral wealth. The Democratic Republic of Congo and Zambia possess 50% of the world's cobalt reserves, while 98% of the world's chrome reserves are located in Zimbabwe and South Africa. South Africa also accounts for 90% of the reserves of metals in the platinum group (platinum, palladium, rhodium, ruthenium, iridium and osmium).

Case study

China in Africa: development or colonisation?

China's search for oil and mineral resources has focused on Africa. Chinese companies are investing heavily in Africa, primarily in oil exploration projects and infrastructure to help exploit and export raw materials (Figure 4.23).

- Around 30% of all oil used in China comes from Africa.
- In 2007, Chinese investment in Africa totalled US\$30 billion.

- China has invested US\$8 billion building oil pipelines in Sudan.

There were estimated to be 750,000 Chinese working in Africa in 2008, and over 900 Chinese companies.

Critics argue that all China wants from Africa is its resources, and that it has no interest in African development. Most investment goes to African governments, TNCs and Chinese companies, not to

ordinary Africans. China has been accused of overlooking human rights issues, for example:

- providing a huge increase in oil revenues to the government of Sudan, which has helped fund war in Darfur
- propping up the government of Robert Mugabe in Zimbabwe with arms shipments

In many cases large Chinese-funded infrastructure projects are built by Chinese workers, not local labour. It remains to be seen whether the financial benefits of such investment help some of the least developed countries out of poverty. In general, mining, quarrying and forestry bring few skilled jobs and pay low wages. The age-old problem of Africa's resources leaving the continent as cheap raw materials rather than expensive manufactured goods is likely to continue.

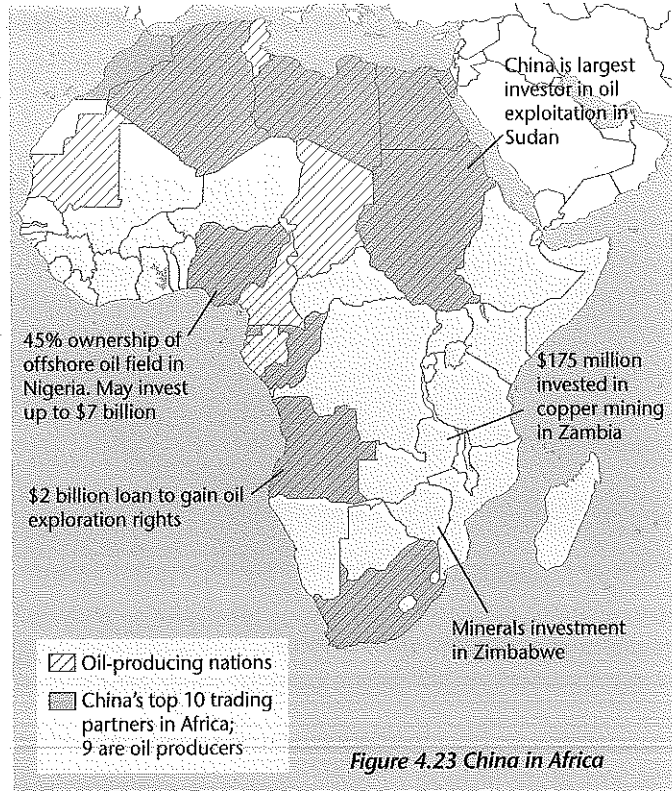


Figure 4.23 China in Africa

Oil

The US thirst for oil is also boosting the strategic importance of countries such as Angola and Nigeria. Experts agree that over the next 10 years Africa will become the USA's second most important supplier of oil, and possibly natural gas. US strategy in Africa has two main elements. The first is unlimited access to key markets, energy and other strategic resources, and the second is the military securing of transport routes along which raw materials will be moved to the USA. In July 2003 an attempted coup in São Tomé and Príncipe, a small west African state rich in oil reserves, triggered US intervention in the archipelago. Three months later, oil companies, mostly US ones, offered more than US\$500m to explore the deep waters of the Gulf of Guinea, shared by Nigeria and São Tomé and Príncipe. That was double what the countries had hoped for.

Tensions between cultures

During the Cold War there was a huge cultural divide between the USA and the USSR. It was based on a profound difference in political ideologies (capitalism vs communism). Although Russia has since turned towards capitalism, the cultural tension remains. Differences in values are magnified by the mutual distrust and suspicion that persist between the two countries.