A CONVERSATION ON EMERGING POWER GEOMETRY

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The following conversation derives from an online chat between Global Forecast editors and four CSIS scholars on the rise of China, India, Brazil, and Turkey.

The recent global financial crisis has been a huge headache for the West. Three years later, do China, India, Brazil, and Turkey look back at it as the beginning of an opportunity?

CHARLES FREEMAN: China’s financial system was largely insulated from the immediate effects of the crisis, and China was among the very first globally integrated economies to bounce back. Many in China like to proclaim the success of the “China Model” and failure of the West. They see the financial crisis as a bellwether moment, an inflection point in China’s re-emergence, and evidence of the irreversibility of U.S. decline.

KARL INDERFURTH: Indians share the sense that this has been an “I told you so” moment. As a result, and combined with the country’s surging economic performance, Indians now have a bigger seat at the table. The G8 has been replaced by the G20. The IMF’s governing board has given India a greater role. Indians believe the crisis underscored the need to give the world’s big emerging economies greater responsibility in stabilizing and guiding the global economy.

STEPHEN JOHNSON: This has absolutely been an opportunity for Brazil. Petroleum and soy remain in high demand. The only place Brazil took a hit was in trying to compete with China’s undervalued currency and the weakened dollar. Brazil is the eighth-largest economy in the world and on the rise.

STEPHEN FLANAGAN: Turks love to remind EU members that Turkey was one of the few European economies whose output in 2010 surpassed its pre-crisis levels. The Turkish rebound was fueled by strong exports, consumption, and investment and bolstered by effective crisis management mechanisms and fiscal reforms.
The common narrative has been that all four countries want greater respect on the world stage. How are they likely to assert themselves in the coming year?

**FLANAGAN:** Turks see their country as a “central” power and intend to act like one. Turkey will strive to play an active role in stabilizing Iraq, supporting Arab political reform, advancing Palestinian statehood, and negotiations over Iran's nuclear program. It will also seek greater influence to the east via development of a new Silk Road in Central Asia and a strategic partnership with China.

**JOHNSON:** It is uncertain whether Brazilian president Rousseff will be as assertive as President Lula was on the world stage. Lula’s efforts to work the Iran fuel swap turned out to be an embarrassment for Brazil. Rousseff seems less likely to overreach or antagonize Washington. She is no pushover, though. In April 2011, she told China it needs to buy more Brazilian-manufactured products to restore balance to the trade relationship.

**INDERFURTH:** Indians believe their attention must be directed at home and on domestic challenges. They are focused on corruption, poverty reduction, education, and infrastructure needs. Indians are not looking for “superpower” status yet—maybe in 10 years. They still see themselves as a developing country, albeit with a global role to play. They also think the term “superpower” is a Cold War relic.

**FREEMAN:** China is schizophrenic about its role in global affairs. It seeks primacy, but is deeply wary of global responsibility. Like India, it remains focused on its own domestic vulnerabilities, although in the wake of the crisis it made overt attempts to test its own perceived power with its neighbors. China’s assertiveness in this regard largely backfired, with the result that its neighbors sought to move closer into Washington’s orbit. Look for China to go back to biding its time and keeping a low profile in international affairs.

**What are these countries’ visions for global governance?**

**INDERFURTH:** Delhi is trying to break from the paradigms of the past: developed and developing, North and South, East and West no longer apply in its mind. India wants to see the interests of all major power centers taken into account. It sees itself emerging as one pole among several in a multipolar world.

**JOHNSON:** Brazil has a similar vision. It sees a set of regional power centers emerging around multiple poles. Brazil has worked hard to advance the Union of South American Nations and the South American Defense Council for this purpose.

**FLANAGAN:** Turkey also favors a more diffuse, multipolar global power structure that recognizes Turkey’s status as a G20 member. Turkey will continue to seek integration into Europe and values its membership in NATO, but it expects to be treated as a major player in world politics. Turks are no longer content to simply take direction from Washington and Brussels.

**FREEMAN:** China looks for a governance structure that is long on talk and short on teeth. On one hand, it views multilateral action with caution and rejects European visions of supranational authority. On the other hand, it is suspicious of the U.S. approach of coalitions of the willing. The Chinese aim is to avoid any diminishment of China’s sovereign authority. China sees global institutions as providing a level of predictability and stability in international affairs that reduces the impact of global events on its own domestic affairs.
What single global or regional issue are we likely to see these capitals prioritize and try to move forward this year?

FREEMAN: China begins a major leadership transition in 2012, so Beijing is completely absorbed with its own politics. This is not an environment that encourages any significant policy moves abroad.

INDERFURTH: India’s priority will continue to be its own economic growth and development. Of course, Delhi will be keeping a watchful eye on its security interests as they are affected by unfolding events in Afghanistan and Pakistan.

JOHNSON: Look for Brazil to focus on strengthening its regional commercial ties.

FLANAGAN: Turkey’s priority will be to maintain stability in the greater Middle East in the face of the revolutionary movements still unfolding in the region and U.S. withdrawal from Iraq. No small task.

Does Washington currently have the correct policy orientation toward these regional powers that exert influence beyond their region? If not, what should the United States do differently in the future?

JOHNSON: There is room for improvement on Brazil policy. Lula was kept at arm’s length to little effect, and President Obama’s March 2011 trip to see Rousseff was eclipsed by the Libyan bombing and yielded no major new initiatives. Joint U.S.-Brazilian ventures on energy cooperation and science and technology could produce an uptick in relations.

FLANAGAN: Washington needs to find a better balance between treating Turkey as a full partner and playing to Ankara’s perception that it is now an indispensable country. Turkey is a major player in its region, but it overestimates its capacity to deliver. When interests diverge—which they will—Washington needs to be able to manage this in a way that avoids a major breach.

INDERFURTH: U.S.-India relations have been transformed over the past decade, under three presidents, from what once was described as “estranged democracies” to what can correctly be called today “engaged democracies.” So the task for the Obama administration is to continue the upward trajectory of the relationship and not assume that it can be placed on “autopilot,” even as other demanding issues, at home and abroad, press in from all sides.

FREEMAN: The administration’s early, optimistic approach to broad cooperation with China was followed by a subsequent frustration with all things China. It now has settled into a more realistic, minimalist focus on reducing unnecessary frictions. Given political realities, the United States is left more or less to tread water in its policy toward Beijing. This is not without risk: the United States is essentially playing a game of tactics with China, and a more long-term, strategic assessment following the current political stasis would be highly useful.
Many have observed that the recent global economic crisis is helping to accelerate the relative decline of today’s developed countries and drive the rise of today’s emerging markets. It is less well understood that demography is working in analogous ways, though over a much longer time horizon. Demographic change shapes economic and geopolitical power like water shapes rock. Up close the force may appear trivial, but given enough time it can move mountains. The long-term prosperity and security of the United States may depend in crucial ways on how effectively it prepares for the demographic transformation now sweeping the world.

Most of the developed world finds itself on the cusp of an unprecedented new era of population aging and population decline. According to the UN Population Division, the median ages of Western Europe and Japan, which were 34 and 33 respectively as recently as 1980, will soar to 47 and 52 by 2030, assuming no increase in birthrates. In Italy, Spain, and Japan, more than half of all adults by then will be older than the official retirement age—and there will be more people in their seventies than in their twenties.

Working-age populations have already begun to contract in several large developed countries, including Germany and Japan. By 2030, they will be contracting in nearly all developed countries. In a growing number of countries, total population will also begin a gathering decline. Unless birthrates or immigration surge, Japan and some European nations are on track to lose nearly one-half of their total current populations by the end of the century.

The United States, in fact, is the only major developed country that does not face a future of relative demographic decline. Yes, America is also graying, but to a lesser extent. The United States is the only major developed nation with replacement-rate fertility of 2.1 children per