

# **The End of the American Century And the rise of the rest**



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**“The United States is at the end of the period of global leadership and domination that we’ve enjoyed for the last 50 years or so. The country is bankrupt economically. We’ve lost our edge in terms of politics, economics, socially. We no longer compare well with other countries around the world, and we’re not admired as we once were by countries around the world. And we’re not viewed as a model for economic and political development, as we once were. So this really marks a global shift in world history, both for the United States and the rest of the world. It is a gloomy picture, and this wasn’t an easy book to write for that reason. But I think the facts speak for themselves. If you look at the United States, both in terms of comparing us to 20 years ago or in comparing us to other developed countries in the world, the United States doesn’t come out on top on almost any measure anymore. And this has long-term implications that are going to affect the way we live and the role we play in the world. So it is a gloomy picture, although I think there are ways in which the United States can eventually emerge from this in a solid position.”**

David S Mason, ‘The End of the American Century.’<sup>1</sup>

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## **Introduction**

The USA began the 21<sup>st</sup> century as the world's unrivalled superpower. Globally the USA touched everyone in different ways, through Hollywood, US technology - Microsoft, fast food - MacDonald's, fizzy drinks - Coca Cola, news media - CNN, print media - the New York Times, International Herald Tribune, internet - Google, Yahoo, and finance - Wall Street. For over a century the United States of America has dominated politics, economics, foreign policy and globalisation.

When George W Bush became president of the US in 2001 the Neoconservatives, who filled his government, spoke of the need to project US power well into the next century. They spoke of international commitments, International law and global treaties in their 'project for the 21<sup>st</sup> century,' hindering US prowess and the US didn't need them as it was the world superpower.

In 2010 the US position in the world is very different. America's role in the world is being questioned by the US public themselves. The war on terror and its subsequent wars have caused a fault line as the US continues to be consumed with two wars which have now lasted longer than WW2 and show little signs of ending anytime soon. US conduct in the wars has led to many questioning their previously held views on America's global role. Guantanamo Bay, Abu Ghraib, extraordinary rendition, torture, anti-terror legislation and secret trials have now become symbols of America, a far cry from Hollywood, Human Rights, Democracy and the Free Market America was known for the last few decades.

At [Khilafah.com](http://Khilafah.com) we continue to receive many questions regarding the status of the US, will it remain the world's superpower? Many have asked us if the US is in decline and is it on the verge of being replaced as the words superpower. Many have also asked us who possibly will replace the US. China's phenomenal economic growth in the last few decades, the rise of India, Russia's resurgence, Germany for long the world's largest exporter and countries such as Brazil and Turkey have all been proposed by various thinkers as possible emerging powers vying for America's throne when the inevitable happens.

In this book we assess the current status of the US, how it rose to the post of the world's superpower and assess if such conditions are deteriorating and if indeed the US will cease to be the world's superpower. We also assess the possible challengers to the US and their prospects at replacing the US as the superpower, we will also assess the challenges and obstacles such nations face in reaching such a zenith.

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## USA in a post American world

13 federal states of North America formed United States of America in 1776 after defeating Britain in the American war of independence. Through manifest destiny the USA expanded until nearly 50 states became part of the union. The American civil war of 1865 sealed the destiny of the nation and its economic system. The armament needs of the civil war laid the groundwork for the modern US industrial economy. War needs had enormously stimulated manufacturing, speeding an economic process based on the exploitation of iron, steam, and electric power, as well as the forward march of science and invention. Since the middle of the 1880's the USA has been the world's largest economy every year.

The US turned from a nation of immigrants in the North American continent to a nation today that produces more wealth than the next four nations combined. Militarily the US dominates the world and controls the world's oceans. Politically the US is involved in most international issues and disputes. US companies dominate most sectors of the global economy and US brands and symbols are some of the most recognised across the globe.

America emerged a world power as WW2 drew to a close. US participation in the Pacific zone of the conflict and its ability to produce on mass industrial machinery and military equipment for the allies was decisive in bringing the war to its conclusion when Britain had been completely consumed due to the German war effort. The US occupied Japan with half a million of its troops and shared the occupation of Germany with Russia and Britain.

War historically has been central to America's development. George Friedman outlined this in his book: *The Next 100 Years: "Virtually every other industrialised power in the world experienced devastating warfare in the 20<sup>th</sup> century. The United States waged war, but America itself never experienced it. Military power and geographical reality created an economic reality. Other countries have lost time recovering from wars. The United States has not. It has actually grown because of them."*<sup>2</sup>

It was the United States that constructed the post war world. Having used the most technologically advanced invention at the time – nuclear weapons, to bring to an end in one stroke to WW2, America was well placed to dictate the terms of the post war world, only the Soviet Union presented any obstacle. Whilst the Yalta conference in 1945 distributed the spoils amongst the victors the Bretton Woods conference created the International Monetary Fund, the World Bank and the General Agreement on taxes and Tariffs (GATT), it also made the Dollar the world's reserve currency – all this institutionalised US influence, which Europe accepted as it was devastated by the war. The Brookings institute confirmed in a report: *"The United States has viewed all multilateral organisations including the World Bank, as instruments of foreign policy to be used in support of specific US aims and objectives...US views regarding how the world economy should be organised, how resources should be allocated and how investment decisions should be reached were enshrined in the Charter and the operational policies of the bank."*<sup>3</sup>

As the post –WW2 architecture was being constructed a new war was beginning – the cold war. The US and the USSR competed with each other, the US rather than deconstructing both Japan and

Germany decided to turn them into successful Capitalist nations as a counter weight to the expansion of Communism. Whilst Europe received aid through the Marshall plan for reconstruction, Japan and Germany for decades received access to US technology which significantly aided their rapid economic development.<sup>4</sup>

The Cold War resulted in numerous military developments which the US led in its arms and space race with the Soviet Union. The US created the Western bloc which consisted of most of the liberal democracies around the world as a counter weight to the Eastern bloc. This allowed the US to disseminate its culture around the world. Hollywood became central to the American way of life infiltrating the minds of the global audience. The US consumer became idolised for the American dream that could be pursued and American philosophers and thinkers led the way on political and philosophical ideas.

### **Post – Americanism**

At the end of the 20<sup>th</sup> century the US was the unrivalled world power, having defeated Communism, established NATO as the world's default security organisation and dominated the world economy, it was considered very likely that the world would be writing and printing about US prowess for decades to come.

The US in the 21<sup>st</sup> century however is a very different global power to the one of the 20<sup>th</sup> century.

Today America is bleeding from two open wounds in Iraq and Afghanistan that show no signs of abating. Both wars have now lasted longer than WW2. The US army, the most technologically advanced in history has been unable to defeat a band of fighters using weapons developed in the 1960's. As a result it has to rely on a variety of surrogates to avoid embarrassment. The Iraq and Afghan wars and the fact that the US has been unable to extricate itself has been compared to the Boer war of 1899, which is considered the beginning of the end of the British empire. The details of the war bear a similar resemblance to the US in Iraq and Afghanistan.

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### **Boer War**

After successfully concluding the war of Omdurman in Sudan where the British army was outnumbered two to one. Britain just like the US presented their reasons for the war, the Empire argued the rights of the English speaking people, who were treated as second class citizens had to be protected. In reality the Boers – farmers, resided over diamond fields and with the discovery of Gold in 1886, many foreigners hurried to what is today South Africa to participate in its Gold rush. In 1899 the Boer area of South Africa was producing 25% of the world's gold.



The Empire faced around 45,000 farmers the Transvaal and the Orange Free State who knew how to defend their land, they had the support of most of the indigenous population and utilised guerrilla tactics which was impossible to contain when the British Empire had such a large army on the ground. As a result the Empire resorted to brutal tactics that included burning down whole villages, creating concentration camps for the population and resorting to summary executions.

The Boers held out until 1902 when they eventually surrendered. Whilst Britain actually won the war as they defeated the enemy in reality they had lost. By the wars end Britain had 450,000 troops on the ground fighting a mere militia of 45,000. Britain lost 45,000 troops and had massively overspent in the war effort and has stretched its military to breaking point. However its brutal tactics undermined the British cause forever at home and abroad. Whilst all the powers of the day exposed British tactics, domestically Britain's role in the world was questioned when you kill the masses in order to give them freedom.

Fast forward to today and the similarities are striking, the US lied about weapons of mass destruction, and quick victory gave way to long occupations, which has seen corruption and incompetence at the highest level. The cost to the US has been massive and continues. Guantanamo bay has undermined America's chief export for over a quarter of a century – human rights. Similarly the US military is viewed as overstretched and America's position is seen as untenable.

Aside from America's wars, the US is facing numerous challenges in different regions of the world which only a decade ago it completely dominated. The world is moving away from the US as the uni-polar power who enjoys uncontested hegemony to a multi-polar world where other nations are challenging US prowess. The US is finding that it now has to share the world's oil with other powers whose appetite shows no sign of slowing down anytime soon. China, India, Japan and the European Union are all competing for the world's oil, which the US has virtually controlled

*American symbols are also being rapidly replaced. Today the tallest building is in Dubai, not America, the world's richest person is no longer an American but a Mexican. The world's largest traded company is in China and the world's largest plane was constructed by Russia and the Ukraine. London is the world's largest financial centre and the world's largest Sovereign Wealth Fund (SWF) is in the UAE, not New York. Beijing has the world's largest mall, whilst the US only has one mall in the world's top ten. The world's biggest movie industry is no longer Hollywood, but is now Bollywood in India. Similarly the world's largest ferris wheel is in Singapore, whilst the world's largest Casino is in Macao. Only 10 years ago the US was at the top of all of these lists.*

for decades. Whilst the US economy is the world's largest economy its share of the global economy is shrinking as nations such as China, India, Brazil, Japan, Mexico, Turkey and Russia continue their rapid growth.

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Thus the question is, is the US superpower status sustainable and tenable?

- The US confronts a number of international issues, which will consume the US, cost money and mean the negligence of other issues. Each of the issues the US faces will get more and more complex as other nations increasingly have a say in global issues. The issues include global trade, intellectual property, climate change, the Middle East, Iran's nuclear programme and the North Korea issue. The US will have to contend with losing jobs to Chinese craftsmanship and contend with Russia's use of energy resources for its political objectives. Whilst the US has been able to previously deal with many issues simultaneously, today the US does not have such influence in shaping global issues. How the US contends with this issue, will determine whether US remains the world's superpower.
- The rise of other powers means the US constructed international system will probably be challenged as rising new powers will work to create their own space to expand influence and achieve their own interests. Solving international conflicts through the United Nations, financial problems through the IMF and the World Bank, trade disputes through the World Trade Organisation (WTO) and nuclear proliferation through nuclear non-proliferation treaties have all been undermined as the US has freelanced over them or been indifferent in its adherence to them depending upon its strategic interests. Russia and China have economic and energy advantages over the US, they are able, if willing, to construct alternative frameworks and systems; the US will have to contend with such powers that already have the support of many of the nations around the world, China in Africa is a case in point.
- US attempts at creating balance of powers across the world in order to maintain its influence now face severe challenges as other powers work to undermine them. The US uses Israel and Gulf states in the Middle East to halt the rise of Iran. It uses the North Korea issue to contain China and has strengthened this strategy through its relations with Australia and Japan. Similarly the US has worked to bring the former Soviet republics in Central Asia to contain Russia and increased its influence over the former Soviet states in Eastern Europe. The US has also used its ties with Turkey to maintain a stranglehold over Russia in the Caucasus. All of these policies of maintaining balances are facing severe set backs which



will only get worse and will require the US to expand more resources. With the US busy in Iraq and Afghanistan, Russia has won back many of its former republics in Central Asia, whilst in Europe Russia has used its energy resources as a tool to bring the region within its sphere of influence. In the Far East China has used trade and money to loosen US relations with India, Australia and Japan. The US has been unable to give the necessarily attention to such issues due to the occupations of Iraq and Afghanistan. Russia has made perfectly clear that it plans to bring all its former republics under its fold and then expand its influence to the wider world. Russian Foreign Minister Sergei Lavrov said on the 10<sup>th</sup> September 2008 in a letter that was published in the Polish daily 'Gazeta Wyborcza: "*Russia has a geographical sphere of privileged interests and Poland and the rest of Europe need to recognize that new reality.*" With the US military machine undermined, this will only make other nations much more assertive. The US has some difficult policy positions to tackle. Does it share global power, which means it accepts its decline in influence? Or does it continue with its current strategy of remaining the sole superpower and deal with the consequences, whatever the outcome? The answers to such questions will define the US in the 21<sup>st</sup> century.

- Sino-US relations are becoming more and more complex and interdependent and the US is no longer in the driving seat to dictate how such relations should proceed. US industry is shrinking as the same goods can be made cheaper in Chinese factories, whilst China's rapid economic growth is driving China's need for more and more oil. US imports of Chinese goods has resulted in the worlds largest currency reserves of \$2 trillion. US appetite for imports and debt driven purchases is leading to the US issuing more and more treasury bills, which China is now the largest holder. Whilst ten years ago the US would be dictating such relations today this is not the case. US attempts at creating a G2, where Sino-US relations can be made official was rejected by China as it did not recognise China as an equal partner. How the US contends with such relations will be central to whether China overtakes the US. With US influence waning, China could, with the political will, hurt the US.

*The US generated nearly \$14 trillion in 2007, however the national debt – this is money the central and federal governments owe to the US public and the world through the bonds they have sold - stands at \$9.7 trillion. The US citizenry have a huge appetite for imports and real estate; as a result consumer debt stands at \$11.4 trillion. The debts of US companies amounts to \$18.4 trillion. This makes the US indebted to the tune of just under \$40 trillion – nearly 75% of what the world produces*

- The global financial crisis has brought to the forefront how much the US lives beyond its means. The US generated nearly \$14 trillion in 2007, however the national debt – this is money the central and federal governments owe to the US public and the world through the bonds they have sold - stands at \$9.7 trillion. The US citizenry have a huge appetite for imports and real estate; as a result consumer debt stands at \$11.4 trillion. The debts of US companies amounts to \$18.4 trillion. This makes the US indebted to the tune of just under \$40 trillion – nearly 75% of what the world produces. In a Harvard report it was calculated that 10% of the US population owned 71% of the nations wealth, whilst the top 1% controlled 38%. On the other hand, the bottom 40% owned less

than 1% of the nation's wealth,<sup>5</sup> this has created 37 million Americans who live below the poverty line. The US is only able to live in this way because it has the US dollar, which is the world's reserve currency, however this massive wealth fracture is not sustainable and the US will need to solve this issue through some very painful reforms as other nations develop and construct alternative models of wealth distribution.

- America's economic development has shielded any debate on how the US will ever repay such levels of debt when it only has \$1.3 trillion (M1) in notes and coins in circulation. It is accepted as the debt becomes due the US economy will always have the money to repay such debts, however with the challenges the US faces globally, for the first time the sustainability of living today and paying for the lifestyle tomorrow is being considered untenable. The financial crisis has compounded America's problems, when confidence in the ability of the American government to repay the debt dwindles, holders of such debt will in all likelihood offload such debt, which would undermine the dollar. America will find that in such a scenario it will not be able to exert its influence as it once could. America's spending and debt is not sustainable, this places the US in a situation where it will be reliant upon foreign nations to bail it out. How the US ensures this point is never reached will fundamentally determine whether it remains the world's superpower.

The debacle of the Iraq and Afghanistan wars has severely dented US prowess around the world. It has undermined the power of America's military machine which for long was symbolic of its success. The US is overstretched, drowning in a misery of debt, and becoming more and more reliant on the cooperation of other nations to achieve its aims. Whether this is the beginning of the end of the US as the world's superpower depends a lot on not the US but the other powers. The remainder of this book will assess their prospects.

## China: Pretender or Contender

2009 was the 60<sup>th</sup> anniversary of the Chinese revolution. China gained independence from Japan and defeated the nationalists to establish the Socialist people's republic of China. In the last decade many analysts have viewed the rise of China as America's biggest challenge and some thinkers foresee China as the world's superpower in the not so distant future. The rapid rise of China on the political map in the last 20 years has shocked many, bewildered others and for some marks the shift of global power from West to East. China has never been a world power and its recent history consists of a brutal occupation by Japan, whose memory defined post WW2 China. The 60<sup>th</sup> anniversary for the world's most populated nation marks a unique reality in its history as for the first time it is counted as a world power.

China's development began in 1978 and has been due to military considerations dominating the development of science and technology. This can be traced back to the Mao era. Mao stated his objective of forming a 'militarization' complex above all other needs. This 'militarization' formed the basis of Deng Xao Ping's policy. Deng's aim was to diversify the Chinese economy in order for China's industrial base to contribute not just to national defence but also economic growth and civilian prosperity. Deng's famous 16 character guidance in early 1980's made this clear: *'integrating military and civilian production; but making sure to balance the military requirements; maintaining military capability; using the civilian economy to serve military modernization.'*<sup>6</sup> Prior to this the Soviet-style centrally planned economy, was utilized but achieved limited results. Deng then utilized a more market-oriented economy, particularly in the Special Economic Zones (SEZ) located in the Guangdong, Fujian, and Hainan. The results were spectacular. China radically changed its economy moving from producing low quality simple exports to sophisticated high technology goods. The country has changed from an inward backward economy to a global exporting machine, Chinese exports have grown tenfold. Today China has surpassed Germany as the world's largest exporter, exporting over \$1 trillion a year.

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Since 1978, China has been reforming its economy from a Soviet-style centrally planned economy to a more market-oriented economy but within the political framework, provided by the Communist Party of China. This system has been called "Socialism with Chinese characteristics" and is one type of mixed economy. These reforms started since 1978 has helped lift millions of people out of poverty, bringing the poverty rate down from 53% of population in 1981 to 8% by 2001.

The execution of China's foreign policy represents an important evolution from Beijing's narrow and reactive approach to global affairs in the past. China is abandoning its long-held victim mentality of 150 years of shame and humiliation and adopting instead a great power mentality (*daguo xintai*). The natural extension of this is the increasing role of China in global issues. This has been driven by leading members of the Communist party who were not born during the Chinese revolution and hence do not

view the world from the perspective of China's history. Leaders, such as the current president Hu Jintao, who was born only a few years before the revolution, was China's first leader not to have taken part in the infamous long march, where the nationalists were defeated in 1949. It is such leaders who believe in the abandonment of China's victim mentality and the adoption of a great power mentality, it is such leaders who are increasingly seeing China more akin to the world's major powers.

## **Sino - US relations**

US policy makers spelled out their strategy for China initially in the Defence Planning Guidance (DPG) for fiscal years 1994-99, the first formal statement of US strategic goals in the post-Soviet era *"we [must] endeavour to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power."*<sup>7</sup> By the time George W Bush came to office only China possessed the economic and military capacity to challenge the United States as an aspiring superpower. The US developed a policy of containment rather than outright competition with China which would expend US resources, to restrain China within its borders ensuring no-one shares the region with her. This policy of containment was spelt out by Condoleezza Rice while serving as a foreign-policy adviser to George W Bush, then governor of the state of Texas, during the 2000 presidential campaign in a Foreign Affairs article she stated *"China is a great power with unresolved vital interests, particularly concerning Taiwan, China also resents the role of the United States in the Asia-Pacific region."* For these reasons, she stated, *"China is not a 'status quo' power but one that would like to alter Asia's balance of power in its own favour. That alone makes it a strategic competitor, not the 'strategic partner' the Clinton administration once called it. The United States must deepen its cooperation with Japan and South Korea and maintain its commitment to a robust military presence in the region".* Washington should also *"pay closer attention to India's role in the regional balance, and bring that country into an anti-Chinese alliance system."*<sup>8</sup>

A decade on however both the US and China have to a large extent become interdependent upon each other. Whilst the US dominated all regions of the world at the turn of the century, Afghanistan and Iraq as well as the global financial crisis has resulted in the US being unable to dominate such regions and its relationship with China. Sino-US interdependency can be seen from the following:

- The US, the world's largest consumer, imports the vast majority of the goods that come of China's production lines.
- The US has a trade deficit of \$226 billion (2009) with China, as a result US dollars end up in China, which today is over \$2 trillion.
- Such huge reserves have resulted in China purchasing US treasury bonds, which funds America's massive trade deficit.
- In turn this is resulted in the expansion of China's manufacturing base, China's need for a larger share of the world's oil and mineral resources.
- This has also led to the loss of jobs in America's manufacturing sector to superior Chinese craftsmanship.

US policy towards China has appeared to be contradictory at times because the US has been unable to balance its commercial interests and strategic interests. One faction, the corporate world<sup>9</sup>, view China from a commercial aspect. They see China's huge population as a money making opportunity and for these reasons have lobbied for the US government to force open China's domestic market and essentially bring China into the global free market. The right-wing on the other hand have for long viewed China as a threat and continue to attack it's human rights record, internet censorship and China's right to Taiwan. From a commercial aspect companies such as Google, yahoo and Microsoft and a number of US banks have benefited from developments in Sino-US commercial relations.

On the other hand those who view China's rise as a threat have pushed for the US administration to develop an anti-Chinese ring around China to contain it. The US has upgraded security relations with Japan and has supported Japanese calls for nuclear development, this would mean abandoning the decades old constitutional defensive policy; for the US this would act as a military counter weight on China's Eastern flank. On the Western flank India has been wooed with economic deals, the transfer of nuclear technology and ambitions of permanent Security Council status. The US in a similar manner has normalised relations with Vietnam burying its historical conflict and forming

bilateral partnerships with it. The US has successfully manoeuvred the Vietnamese to increase interaction with it, breaking the age old Chinese links to the pacific region. Vietnam continues to have a territorial dispute on its northern border with China. The US has also used its conflict with North Korea to contain China. The US has been considerably silent to the nuclear progress in Pyongyang compared to Iran, whilst China has been pursuing six party talks trying to ensure its back



door is not set on fire. The statements from such meetings have been contradictory where China has been remarking pessimistic talks with distance on issues to the US remarking successful negotiations. This gives a suitable justification for sustained and substantial US presence in South Korea. The US has also announced in September 2009 a shift in policy towards Myanmar (Burma). It plans to move beyond the current sanctions regime to include direct engagement with the military government. Myanmar is playing a central role in China's overseas energy strategy and through direct engagement the US is attempting to minimise the expansion of a Chinese sphere of influence in Asia.

## China's Internal Dimension

In China's 5000 year history it has never been a superpower and has never influenced the global balance of power. Even when it adopted Communism it never carried this beyond its borders and never influenced any of the regions of the world. Much of China's 5000 year history is composed of internal wars and struggles in order to unify the homeland. China's foreign policy is centred on domestic economic development and procuring all the necessary raw materials to achieve such aims. China has challenged America's containment policy by attempting to weaken the nations the US is attempting to use to contain China. This is through using trade and developing bilateral ties to loosen US relations with the likes of Australia, India, Japan and South Korea.

Due to this reality China has focussed on its region and as of yet has shown little ambition beyond the region. China's string of pearls policy is its first venture beyond the region. The policy was described by the US government as follows: "*The "String of Pearls" describes the manifestation of China's rising geopolitical influence through efforts to increase access to ports and airfields, develop special diplomatic relationships, and modernize military forces that extend from the South China Sea through the Strait of Malacca, across the Indian Ocean, and on to the Persian Gulf.*"<sup>10</sup> The sea lines run through the strategic choke points of Strait of Mandab, Strait of Malacca, Strait of Hormuz and Strait of Lombok as well as other strategic naval interests along Pakistan, Sri Lanka, Maldives and Somalia. All of these are key strategic routes for oil and gas and will inevitably lead to a clash with the US.

China currently has shown little global ambition in constructing an alternative global system. It has in fact amalgamated into America's global system of trade - WTO, security – United Nations and finance – IMF and the World Bank. China appears to be working to achieve its interests from the existing system rather than attempting to replace it. With such a narrow view China will politically never be able to challenge the US. If China has any plans to become the world superpower then it will not just need to challenge the US, but solve a number of domestic issues which would otherwise cause a massive fracture domestically, these include:

- China's development is rooted in Deng Xiaoping's attempts at creating special economic zones (SEZ) which allowed foreign investment and technology and became a new source of wealth. China today is an export oriented economy and dependent on foreign countries to continue importing from it. Therefore whatever the size of China's currency reserves, no matter how cheap its labour force or its technological developments, China relies on foreign nations to import from it and physically ship them – A naval blockade would cripple China. The world imports from China at the cost of closing down their own factories, as long as no other nation produces the world's goods cheaper than China, China will remain the world's

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workshop. China today is the world's industrial workshop; it remains totally dependent on the world to continue buying from it rather than anyone else, this is a very fragile model of development.

- Being the world's Industrial factory has led to economic development and created immense wealth. However on its own this does not turn a nation into a world power. Whilst China has become the world's factory, this is all at the lower end of the technology ladder. The Atlantic monthly writer James Fallows spent a year in China, watching the nation's industrial machine up close. He compared China's current manufacturing capability to the U shaped smile on a happy face 😊, he illustrated the development of a product, from its initial conception to its eventual sale. At the top left of the curve there is the initial idea and industrial design, the products details and how it will eventually look and work. Lower down the on the curve is the detailed plan by an engineer. At the bottom of the curve is the manufacturing, assembly and shipping. Then rising up on the right of the curve is the distribution, marketing, retail, sale, service contracts, parts and accessories. Fallows observed that in almost all the manufacturing industry in China, China takes care of the bottom of the curve and the US the top. *"The simple way to put this – that the real money is in the brand name, plus retail."*<sup>11</sup> The ends of the U is where the money is and the US dominates this area globally. China is fast going down the road Japan ended in. Throughout the 1980'S Japan was meant to overtake the US economy and replace it as the world's superpower, similar to China it became the worlds industrial factory, in the end the Asian financial crisis of 1997 proved the fallacy of what an export led policy actually leads to.

- China's rapid economic development has been anything but equal. The Special Economic Zone's (SEZ) were all constructed on China's Eastern coast and everything that comes of the production line is placed on ships as cargo and exported to the world. The coastal region as a result is interlinked with the global economy; it has seen most of China's rapid development and enriched a new breed of merchants, all at the expense of the rest of China. Most of China today remains largely agrarian, has little infrastructure and lives in poverty. This has created China's massive internal cohesion problem.



- For centuries, China has attempted to hold together a vast multi-cultural and multi-ethnic nation despite periods of political centralization and fragmentation. But cultural and linguistic differences have worsened due to uneven growth and a massive misdistribution of wealth. Physical mistreatment, imprisonment, lax labour laws and pitiful pay and the fact that the Chinese government is seen not to have addressed the economic needs of the vast bulk of the population is causing internal strife and calls for political succession. In 2005 China handled 87,000<sup>12</sup> cases of social unrest; this is public disturbances, demonstrations and civil strife. Domestically China is a bomb that could go off at any time.

- China domestically is ruled by Communism, this is why it still has a one party system, but economically it is moving more and more towards the free market. At the same time China is nationalist led which has led to calls for separation by some regions. Until China decides what its national identity is, the nation will continue to be pulled in different directions and China will never be able to pose a threat to the world's superpower. The imposition of the ethnic Hans over the other ethnicities only contributes towards the problem. If the US felt China poses an immediate threat to its interests it could with much ease support one of the minority groups and cause internal problems for China.

## **Conclusions**

China currently poses an economic challenge to the US, for these reasons they are engaged in a number of trade disputes. The US has placed restrictions on Chinese tyre imports, and currently China is on the receiving end of a number of World Trade Organisation (WTO) cases into anti-competitive practices.

For the US China poses a threat in South East Asia and hence the US wants to restrict potential Chinese political ambitions but at the same time wants to benefit from the 1.4 billion domestic market. US central intelligence estimates and quadrennial reviews constantly propose the US to increase military expenditure in the face of Chinese threats. China as a threat to the US is overblown when China has for the moment restricted its interests and ambitions to its region – it is questionable whether a nation that has never been a world power, who never expanded beyond its borders, even has global ambitions. China is in a strong position to shift its economy from external focus to domestic development, the size of its population would solve its economic dilemma.

*China as a threat to the US is overblown when China has for the moment restricted its interests and ambitions to its region – it is questionable whether a nation that has never been a world power, who never expanded beyond its borders, even has global ambitions.*

Currently China poses an economic challenge to the US, therefore it is unlikely China will be replacing the US as the world's superpower any time soon



## **India: A Deluge of Problems**

The Western world for over a century dominated economic development and has managed to even define development as the path they undertook to achieve progress. Like China, India has been analysed by economists, geopolitical experts, intelligence agencies and futurologists. India today is recognised as a BRIC nation, a nation rapidly developing due to embracing global Capitalism. It has become difficult to not notice India whether this is its successful unmanned lunar mission, the creation of the world's cheapest car - the Tata Nano, or the acquisition of Jaguar Land Rover by the same company or the fact that India is home to many of the world's call centres. Combined with the development of nuclear weapons and a population of 1.2 billion with a workforce of 500 million, for many India has all the ingredients to become a future power. Commentators have praised India's membership of the global free market and the Indian development model is being hailed as another success story of Capitalism.

Does India have the ingredients to be the world's superpower?

### **Indian progress: Past and Present**

After partition India implemented a number of 5 year plans along Socialist lines in order to achieve economic development and prosperity. By aligning with the USSR during the Cold War, technology flowed into India and the territories of the USSR became India's key export market. Until the liberalisation drive in the 1990's India's economy was termed 'licence raj,' this was the elaborate licenses, regulations and the accompanying red tape that were required to set up and run a businesses in India. India's economy was characterised with protectionism, public ownership and corruption.

It was the fall of the Soviet Union that forced India to change its direction. The collapse of the Soviet Union, which was India's major trading partner, caused an economic crisis. At the same time the Gulf war also led to oil price rises, causing a financial crisis and forcing India to turn to the IMF. India was given a \$1.8 billion bailout loan from IMF, which in return required many stringent reforms. For nearly 50 years successive Indian leaders closed the Indian economy to the outside world, the IMF demanded India to open its one billion domestic market. With strong rhetoric directed towards India by the US administration due to the stalemate on Kashmir, Narasimha Rao began the liberalisation of the Indian economy allowing foreign multinational companies to enter the Indian market and heralding India's embracement of global Capitalism.

The liberalisation, privatisation and opening of the Indian economy were handed to a finance minister who was at the time an unknown economist - Manmohan Singh, (the current prime minister). Manmohan Singh instituted reforms through opening Indian markets to foreign investment, opening India's capital markets to foreign investment banks, deregulating domestic businesses and reforming the trade regime. Liberalisation got rid of Licence Raj and ended many public monopolies, allowing automatic approval of foreign direct investment in many sectors.

## **India Today**

After nearly 20 years of implementing reforms cities such as Bangalore have risen in prominence and economic importance and have become centres for foreign investment. On the eve of reform India's economy was a mere \$317 billion, today the Indian economy has grown to a whopping \$1.2 trillion, the 12<sup>th</sup> largest economy in the world and the world's fastest growing economy after China.

The liberalisation of India's economy has resulted in India transforming from an economy that was dominated by agriculture to one where the service sector generates 54% of the nation's wealth. Business services such as IT and business process outsourcing contribute 33% to the total output of services. Several Indian firms were listed among the top 15 technology outsourcing companies in the world in 2009.<sup>13</sup> The growth in India's IT sector has been a result of increased specialisation and an availability of a large pool of low cost, but highly skilled and educated workers. However the share of India's IT industry to the Indian economy is still relatively small and is currently only 7% of the economy. Annual revenues from outsourcing operations in India currently stand at \$60 billion and this is expected to increase to \$225 billion by 2020.

India's industry generates 29% of India's wealth but is still dominated by simple household manufacturing. Whilst advances have been made in software development India's industry is still dominated by oligopolies of old family firms who have used political connections to prosper when faced with foreign competition. Government policy is centred on promoting the designing of new products and relying on low labour costs and technology.

Agriculture generates 17% of India's wealth; however it employs the vast majority of India's workforce, 2 out every 3 Indian's work in India's agricultural sector. India is the world's largest agricultural producer after China and produces more Bananas, Sapotas, Milk, Cashew nuts, Coconuts, Tea, Ginger, Turmeric and black pepper than any nation in the world. India has the world's largest cattle population of 193 million and produces 10% of the world's fruit.

## **Current issues**

India will soon be in its 20<sup>th</sup> year since its liberalisation drive began, it is already well behind the level China reached at the same milestone. India faces many challenges the most critical of these, in order to become a world power, are summarised below:

### **- Energy**

For any nation to develop a stable and secure supply of domestic energy sources is paramount. India has severe problems in this area, While 80% of Indian villages have at least an electricity line some 600 million Indians have no mains electricity at all, just 44% of rural households have access to electricity. In India's case rising energy demand due to economic development has created a perpetual state of energy crunch. India is poor in oil resources and is currently heavily dependent on coal and foreign oil imports for its energy needs. Although India is rich in certain energy resources which promise future potential such as renewable energy resources like solar, wind and biofuels

(jatropha, sugarcane) such sources however are still in their early stage of development and can in no way provide sufficient energy for development of industrial scale.

### - **Wealth Distribution**

India's development for the last two decades has been anything but equal. The benefits of liberalisation and globalisation are still restricted to certain geographical areas of the country and certain economic sectors. The IT boom is concentrated in the Southern metros of India while the petrochemicals sector is thriving mostly in Gujarat, in western India. Large parts of Northern and Eastern India are severely lagging in economic development. The traditionally poor and populous BIMARU states - Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh - are still largely agrarian economies.

Whilst the Indian economy has grown fourfold over the last two decades, this new wealth has remained in the hands of a small minority of the population. 85% (930 million) of the Indian population lives on less than \$2.50 a day, this is more than Sub-Saharan Africa. 75% (822 million) of the Indian population lives on less than \$2 a day. 24% (300 million) of the Indian population live on less than \$1 a day. This means 41% (444 million) Indians live below the international poverty line of \$1.25. 33% of the world's population that lives in poverty resides in India.

### - **Infrastructure**

For any nation to have any global power projection capabilities it needs to develop its domestic infrastructure of roads, ports, electricity grids, water supply and telecoms in order for the nation to move forward and progress. Indian infrastructure has come to be characterised with crumbling roads, jammed airports, and power blackouts and rampant corruption in mega projects. Indian technology firm Infosys Technologies Ltd confirmed that with virtually no mass transit in Bangalore it spends \$5 million a year on buses, minivans, and taxis to transport its 18,000 employees to and from its offices and factories.<sup>14</sup> It also confirmed that traffic jams mean workers can spend upwards of four hours commuting each day. India's spending in this area is only \$31 billion. India has only 1% of the world's vehicles, but it accounts for 8% of the world's vehicle fatalities. Estimates by Goldman Sachs have shown that India will need to spend \$1.7 trillion on infrastructure projects over the next decade to deal with its rapid economic development.<sup>15</sup>

India at the same time has many other problems that it will need to overcome if it has any ambitions of becoming a superpower, among these are:

- 1000 Indian children die of diarrhea sickness every day.
- 40% of children under the age of three are malnourished (underweight).
- 100,000 villages have never heard a telephone ring.
- According to the World Bank it takes an entrepreneur 35 days to start a business, 270 days to obtain various licenses and permits, 62 days to register a property, nearly 4 years to enforce contracts, and a shocking 10 years to close a business.<sup>16</sup>
- One in every three urban Indians lives in homes too cramped to exceed even the minimum requirements of a prison cell in the US.<sup>17</sup>

- 338 million Indians cannot read or write

## **A False Dawn**

India does not represent a unique or new form of economic development. The adoption of the free market and becoming an export driven economy is something nations in Africa, Latin America and the Far East have all attempted. Becoming the world's outsourcing hub will also not stimulate India's huge economy as such a strategy is too narrow to stimulate multiple sectors of the economy, this is why India's infrastructure is in chaos as only those sectors that act as supply lines to outsourcing such as IT have seen development. India's economy is mostly dependent on its large internal market with external trade accounting for less than 15% of the country's GDP. The trend of relying on International trade looks set to increase and as the financial crisis has shown dependency on the global market is a fragile way to construct an economy. This was a similar strategy the Asian tiger economies pursued through the 1980's and 1990's with disastrous results in 1997, in what has come to be known as the Asian Crisis.

Such issues will stop India from ever becoming a global power. India on the other hand has a number of more fundamental problems and challenges that will always hinder it from becoming a global power unless they can be overcome:

- Politically, India is a hugely fragmented nation with competing factions with varying interests pulling and pushing across various geographical, religious, caste-based and class-based fault-lines. Indian politicians have, for most of India's post partition history, utilised the differences for their short term gains never bothering to rise above petty differences and marshal the resources of the nation. The fact that India is the world's largest democracy is a problem not an advantage for India. Parliamentary democracy institutionalises differences and allows parties to be established to protect such interests. This results in most issues lingering into parliamentary deadlock as was seen with the civilian nuclear deal with the US.
- India has a population of 1.2 billion, with 80% of the population Hindu. However India is a fragmented nation that has been unable to integrate its minorities, this has created a secessionist problem with various factions leading violent campaigns against the Indian government.
- India's fundamental problem is in its identity. Is India a Hindu nation or a secular nation? Secularists are in the minority and have argued against Hindu nationalists who have led mass riots against minorities. Those who have benefited from India's liberalisation have to a large extent been those who believe Hinduism should have no role in governance. A number of historians have highlighted the obstacle Hinduism places on development. *“The sheer rigidity of Hindu religious taboo's militated against modernisation: rodents and insects could not be killed, so vast amounts of foodstuffs were lost, social mores about handling*

*Politically, India is a hugely fragmented nation with competing factions with varying interests pulling and pushing across various geographical, religious, caste-based and class-based fault-lines.*

*refuse and excreta led to permanently insanitary conditions, a breeding ground for bubonic plagues. The caste system throttled initiative, instilled ritual and restricted the market and the influence wielded over Indian local rulers by the Brahman priests meant that this obscurantism was effective at the highest level.*"<sup>18</sup> If India is a Hindu nation with Hinduism its identity, then this institutionalises the caste system which stratifies India into a system of hereditary groups. Currently India is a mixture of secularism and Hinduism which means the nation cannot move in a unified direction and this is what has caused its secessionist problem as Hinduism cannot deal with people outside such a caste system.

- To become a world power a nation needs amongst a host of things - global aspirations. A nation would need to possess a way of life that they are prepared to take to the rest of the world. India has no global ambitions. India was a world power from the 11<sup>th</sup> to the 18<sup>th</sup> century, but it was Islam that made India think globally. Today's India has no global ambitions. India has strategic interests, such as Chinese expansion and Pakistani threats, but such interests are not sufficient to become a superpower. Hinduism looks upon India as the homeland and offers a caste system, with no integrated system of governance, economy, foreign relations and judiciary, as a result India's fundamental interest will always come from within - from its endless, shifting array of domestic interests, ethnic groups and powers.
- Hinduism lacks the characteristics of an ideology and as a result India faces the prospects of being unable to tackle its problems with any consistency. The liberalisation of India has created issues of wealth distribution, food scarcity, and industrial priority. Every time India solves an issue this creates a host of other challenges, in order to face such issues a nation needs to adopt an ideology where solutions are derived from the same basis, be they economic, social, ruling etc. India currently is solving its issues through pragmatic policies and this will only increase the challenges and issues that India will have to deal with.

If India decides to adopt Capitalism as its ideology and take Secularism as its basis then although it will see some development it will also suffer the fate of nations that have already embraced secularism. India is already showing signs of this. Old age was never a problem in India. Old People homes were alien in concept and elder abuse was considered a Western problem. Not any more. As life expectancy has increased hundreds of Old People homes have sprung up in India. The neglect of one's elders has very quickly turned into an endemic issue that the Indian government was forced to address. It has attempted this through 'the maintenance and welfare of parents and senior citizens bill 2006.' This made it imperative for adult children to look after their parents. The region's culture is built upon parents being an honour and their neglect, a humiliation. In 1998 there were 728 Old People homes in India, today there are more than 1000.

## **Conclusions**

Many analysts have a tendency to look at economic growth and population trends when assessing potential world powers, whilst such indicators may indicate future prospects on their own they show very little in terms of future power.

The real indicator of future prospects is not the resources of a nation, its population size, the technology it possesses or geography - although these would be advantages. A potential global power would need to possess global ambitions, this in turn would come from the way of life of a nation the people have embraced.

*Whilst India will build state of the art cars, send many into Space, invent new technologies, achieve self sufficiency and superiority in various fields, this is however something sought by every independent nation, but on its own insufficient to become a superpower.*

The image of an 'India Shining' post-1991 is not representative or a fully accurate portrayal of a country where over 100,000 villages have never heard a telephone ring. While the economic reforms of the 1990's did much to liberalise and stimulate growth, the direct beneficiaries were more affluent urban dwellers. Whilst India has many challenges to overcome such as its lopsided development, a 1.2 billion population, who constitute a third of the world's poor, with over 70% of Indians living in deprived rural areas, these can be overcome as all the industrialised nations have shown. However solving such issues is the product of progress and at the heart of progress lays a very simple concept of global ambitions which India

does not possess. Its way of life - Hinduism does not outline or give an international outlook. Whilst India will build state of the art cars, send many into Space, invent new technologies, achieve self sufficiency and superiority in various fields, this is however something sought by every independent nation, but on its own insufficient to become a superpower.

## Russia's Resurgence

The US and the Soviet Union competed with each other for decades over the post of the world's superpower. Both competed in the arms race in order to produce the most powerful missiles and the space race to place the first man on the moon. This competition eventually consumed the Soviet Union and in 1990 after various revolutions the Soviet Union disintegrated.

Many US policy makers saw the dismemberment of Russia as unfinished business. After the fall of the Soviet Union, the West led by the US began working to push its boundaries in Europe rapidly eastward, destroying Russia's ability to influence the region. The pro-Western lines moved to the east for the past two decades, via NATO and EU expansion, until they pushed hard up against Russia's borders. With the collapse of the Soviet Union the US worked to dismantle the architecture established by the USSR, it worked to contain Russia by bringing all the former



Soviet republics under its sphere of influence and for the next decade through the IMF and the World Bank it economically linked them to the West.

The US also expanded its presence in the Balkans. The US worked to contain the post-Soviet Russia, working to drive it out of the Balkans and Eastern Europe. The US obstructed the deal on a federally controlled but semi independent Yugoslavia which led to civil war in 1993, it used this as a pretext to launch war against Serbia where Russia has ethnic ties with the Slavic's, and by inaugurating Kosovo's independence it further weakened Russian presence. The US worked to establish economic and military relations with Eastern European states, hence monopolising the security of the region. The encirclement of Russia was further attempted through the so called colour revolutions where pro-Russian regimes were overthrown and pro-Western leaders took the helms. Such relations were used as a basis to annex Eastern Europe into NATO.

## Resurgence

Vladimir Putin succeeded Boris Yeltsin in 1999, a nationalist who endeavoured to change the fortunes of Russia. Putin began the process of re-nationalizing key sectors, assets, utilities and industries through policies intended to change the course of the nation. He dealt with the oligarchs who were essentially looting the nation, by restricting the amount of money they took out of the nation; some were allowed to leave the country whilst others were dealt with ruthlessly. He

stabilised the domestic situation through economic policies which were only possible under a dictatorship - any parliament or senate would have stalled on such huge decisions and would have allowed their own interests to get in the way.

Since Vladimir Putin became Russian President he has managed to gain a grip on the nation and counter US attempts to weaken Russia. Today Russia is rapidly developing without following the example of Western liberal democracy. Russia has opted to openly challenge the West as well as the US at practically every turn, whether by planting a flag on the seabed beneath the Arctic icecap, testing the massive ordnance air blast bomb or disputing the siting of US early-warning defence systems in Eastern Europe, which it has managed to successfully halt for the moment. Russia has begun re-inventing itself as a world power by laying its claim to it's near abroad – this is Russia's right over its former republics.

*Vladimir Putin succeeded Boris Yeltsin in 1999, a nationalist who endeavoured to change the fortunes of Russia. Putin began the process of re-nationalizing key sectors, assets, utilities and industries through policies intended to change the course of the nation*

In August 2008 Russia's President Dmitry Medvedev outlined five principles guiding his foreign policy in the wake of the recognition of South Ossetia and Abkhazia as independent states in an Interview given to Television Channels Channel One, Russia, NTV: “.....*Fourth, protecting the lives and dignity of our citizens, wherever they may be, is an unquestionable priority for our country. Our foreign policy decisions will be based on this need. We will also protect the interests of our business community abroad. It should be clear to all that we will respond to any aggressive acts committed against us. Finally, fifth, as is the case of other countries, there are certain regions we pay particular attention to, there are regions in which Russia has privileged interests. These regions are home to countries with which we share special historical relations and are bound together as friends and good neighbours. We will pay particular attention to our work in these regions and build friendly ties with these countries, our close neighbours. These are the principles I will follow in carrying out our foreign policy.*”

Russia in the last decade has managed to gain control over its mineral resources and utilities and banished many oligarchs who benefited from the break-up of the Soviet Union. With some of the world's largest energy reserves it is now developing a state of the art military and competing directly with the US in regions where the US for nearly a decade had uncontested hegemony.

Russia continues to follow an independent route, such policies include Russia's continued position that it does not view Hamas and Hezbollah as terrorist organisations despite numerous US resolutions to the contrary. Russia has signed a deal with India to develop a stealth fighter as well as various military pacts. Its Middle East tours, position it as an alternative superpower to the US which is supplemented with its observer status in Arab league and OIC. Russia continues to use its Iran card and the sale of the S-300 missile systems card to frustrate US plans on UN sanctions against Iran. Russia plans to spend over \$200 billion in the next 5 years to modernise its military. This includes new nuclear submarines, aircraft carriers, a fleet of TU-160 supersonic strategic bombers and the development of a fifth generation fighter jet. Such production is also leading to



Russia cornering the arms industry; Russia is the largest supplier of arms to China, Iran, and Venezuela and is courting the Middle East.

## Russian Assertiveness

Russian foreign relations are currently being driven on reversing the post Cold War trend and securing Russia's periphery by bringing all the former Soviet republics under its influence. Russia is directly competing with the worlds superpower once again.

Russia has taken full advantage of America's preoccupation with the Islamic world to reverse all the American sponsored colour revolutions. The project to bring all of the former Soviet republics under Russian influence has been a meticulous task led by Vladimir Putin. Russia has already made significant gains in Ukraine, Kazakhstan, Belarus and Armenia and set to make significant gains in Azerbaijan and should have removed what remains of western influence in the Caucasian nation. The reformulation of a political union in much of the former Soviet space is making rapid progress.



Kazakhstan, Belarus and Armenia are already members of the Collective Security Treaty Organization (CSTO), a Moscow-led security group comprising pro-Russian former Soviet states. The CSTO is primarily a bloc that Russia uses to integrate with and project influence throughout former Soviet republics via security coordination. Russia has concluded a deal for a

Customs Union with Kazakhstan, Belarus and Armenia which will align their economies to Moscow further. Azerbaijan is considering CTSO membership and in Ukraine's January 2010 elections a pro-Russian came to power and in Kyrgyzstan, similarly Russia inspired regime change in May 2010.

Russia will very soon have 70% of the former Soviet Union under its control and any effort to change Russian expansion must be monumental if it is to succeed. Once achieved Russia is in pole position to expand its influence beyond the former Soviet Republics. With the US still looking to extricate itself from Iraq and Afghanistan, Russia looks to be moving into poll position in attempting to shift the global balance of power.

## Challenges

- **Population decline** - The disintegration of the Soviet Union in 1990 didn't just have political and economic consequences; it also had massive social consequences. Russians stopped having children, due to the uncertainty as deaths increased due to the collapse across the Soviet territories. The crisis raised poverty from 2 million to 60 million, a 3000% increase. UNICEF noted that this resulted in 500,000 'extra' deaths per year. The Soviet health system crumbled, suicide and AIDS increased leading to deaths outstripping births. Russia's population on the eve of its collapse was 148 million, today it has declined to 141 million. The problem Russia faces is the 20 – 29 year old category is currently the largest segment of Russia's population, they were born in the 1980's when Russia was still a world power. The under 20's are much smaller, born after the dissolution of the Soviet Union. This segment cannot sustain the high birth rates of the preceding generation and hence Russia faces a big problem as its labour force will be severely depleted. As Russia expands it will in all likelihood have more and more non-ethnic Russians in its territory. How Russia integrates them will impact territorial cohesion.

- **US proxies** – America has been unable in the face of Russian expansion to commit sufficient resources to Russia's successful reversal of the colour revolutions, as it has been unable to extricate itself from the debacles in Iraq and Afghanistan. 2010 however is the year the US plans to reduce troop levels as its settlement to the Afghan and Iraqi conflicts takes shape. All of this means the US will be able to deploy the necessary resources and give attention to Russia's resurgence. Russia will need to push back all of America's tools. Since the dissolution of the Warsaw Pact in 1991, former states of the Soviet Union have been lured and bribed with promises by Washington into joining NATO. Rather than initiate discussions after the 1991 dissolution of the Warsaw Pact about a systematic dissolution of NATO, Washington has steadily converted NATO into what can only be called the military vehicle of an American global empire, linked by a network of



of military bases from Kosovo to Poland to Turkey to Iraq and Afghanistan. In 1999, former Warsaw Pact members Hungary, Poland and the Czech Republic joined NATO. Bulgaria, Estonia, Latvia, Lithuania, Romania and Slovakia followed suit in March 2004. By bringing such nations into NATO America provides their security and hence controls their defence

apparatus. Similarly politically Estonia, Latvia and Lithuania were integrated into the European Union in 2004 when they become full members. Similarly in the caucuses Turkey has been working to forge ties with Georgia, Azerbaijan and Armenia complicating Russia's attempts at making the region subordinate to it. In the decade ahead Russia will need to contend with US proxies, who are working to curtail Russian expansion. Russia will need to make use of a number of tools to challenge the US and its tools, central to this is projecting an image of strength through a strong military, and this area is another challenge the Russians will have to contend with.

- **Military Industry** – Russia's military industry is a generation behind America's. During the Cold War the Soviet Union competed with the US in the arms and space race. Both nations developed powerful nuclear weapons. They both competed in delivery systems and both were able to construct Intercontinental Ballistic Missiles (ICBM) to deliver powerful warheads alongside strategic weapons systems. Both nations had huge military industry complexes which supplied technologically advanced weapons. The disintegration of the Soviet Union resulted in the newly independent states dividing up the military's assets. The Russian Federation inherited the largest and most productive share of the former Soviet defence industry, employing as many as 9 million workers in 1,125 to 1,500 research, design, and production facilities. Most Russian defence enterprises steadily lost their best workers to Western companies. In 1997 the Russian defence industry consisted of some 2.5 million workers. In dealing with this situation, the Kremlin came to rely increasingly on its nuclear arsenal as the guarantor of territorial integrity. Russia's nuclear weapons are its trump card in all defensive scenarios. Until Putin came to power the Kremlin had no offensive capabilities or ambition. Russia continues to field a very sizable arsenal that includes established missile designs that work, even as it continues to toy with maneuverable re-entry vehicles and penetration aids to improve its capability against ballistic missile defenses. 20 years since the dissolution of the Soviet Union America has developed and deployed the only 5<sup>th</sup> generation fighter jet – the F22 –Raptor, it has 11 aircraft carriers that are constantly at sea with 90 fighter jets on each carrier, ready for combat. More importantly the US in the last 20 years has been conducting expeditionary overseas operations. The US military has excelled in the logistical requirements of overseas deployments, and the rotations and training cycles required for sustaining expeditionary forces. Russia on the other hand has ballistic missile submarines that do not conduct patrols, the bulk of its deliverable warheads are carried aboard aging Soviet-era heavy intercontinental ballistic missiles. Russia's military is a generation behind the US. To pose any challenge to the US Russia will need to modernise its military industry and develop mobile and agile military units, that can be deployed at a moments notice.

## Conclusions

Russia has a history of global ambitions and was a world power in its recent history. The dissolution of the Soviet Union created a crisis in all aspects of Russian society. Russia's KGB and mafia ran riot. Since Putin came to power he has managed to gain a grip on the country and brought stability to many areas. This has enabled Russia to build its defences, reconstruct its broken economy and today it is able to project power globally.

America's occupation with Iraq and Afghanistan has allowed Russia to rebuild its offensive capabilities and reverse many of the strategies the US implemented when the Soviet Union collapsed. However this window of opportunity is fast closing as the US begins its drawdown in Iraq and Afghanistan and Russia will find the US able to expend more resources to push Russia back.

Russia has the advantage of ample supplies of energy to fuel its global ambitions. Russia has the world's largest proven natural gas reserves, it is the world's second largest oil producer in the world and possesses the world's third largest Uranium reserves. Russia has used its energy as a political tool against Europe and the reversal of EU expansion has been due to Russia's energy advantages over Europe.

As Russia puts the finishing touches on winning back the former Soviet republics on its immediate border, Russia is well placed to project its influence globally. Mixed with global ambitions Russia with the right policies can challenge the US, however its military remains well behind America's and until this is not overcome it is very unlikely Russia can remove the US from the post of the world's superpower.

## Turkeys Phoney Resurgence

A number of analysts have described Turkey's recent assertiveness as a new resurgence with the nation playing a leading role in a number of international issues. With the 15<sup>th</sup> largest economy in the world, Turkey's geographical location has turned the country into a energy hub between the East and the West. Some have even used the term TRIC, rather than BRIC, which was originally coined by Goldman Sachs in a 2005 report when describing the new upcoming nations. Various experts are now describing Turkey's ascendancy as neo-Ottomanism.

Stratfor said:

*“Turkey, like Russia, is also on an ascendant path. Ankara is rediscovering its Ottoman-era influence after spending the past several decades as a geopolitical hermit. Its influence spreads across the Islamic world to the Middle East, Central Asia and South Asia as well as through Eurasia in the Caucasus and the Balkans. What we have is a careful Turkish strategy that involves probing into its various surrounding regions, attempting to take advantage of potential opportunities. Where the Turks find resistance, they retreat. In places where they encounter little or no resistance, they advance. These very preliminary and exploratory moves will define Turkish attempts at geopolitical revival for some time to come.”<sup>19</sup>*

John Feffer, co-director of Foreign Policy In focus said:

*“Turkey promptly becomes a likely candidate for future superpower. It possesses the 17<sup>th</sup> top economy in the world and, according to Goldman Sachs, has a good shot at breaking into the top 10 by 2050. Its economic muscle is also well defended: after decades of assistance from the North Atlantic Treaty Organization (NATO), the Turkish military is now a regional powerhouse. Perhaps most importantly, Turkey occupies a vital crossroads between Europe, the Middle East and Central Asia. A predominantly Muslim democracy atop the ruins of Byzantium, it bridges the Islamic and Judeo-Christian traditions, even as it sits perched at the nexus of energy politics. All roads once led to Rome; today all pipelines seem to lead to Turkey. If superpower status followed the rules of real estate - location, location, location - then Turkey would already be near the top of the heap.”<sup>20</sup>*

### World Power

In 1453 the Ottoman's concluded the conquest of Constantinople, the Byzantine capital. This brought to an end all remnants of Roman rule, who had been the world's superpower for nearly four centuries. The Ottoman's were one of the many bands of Turkmen horsemen who began to come into the Islamic lands as a result of the Mongol invasions in the 13<sup>th</sup> century. These Turkmen warriors, who had converted to Islam, were sent to the frontiers of the state by the Seljuks, who themselves were of Turkish origin. They had excellent fighting skills and zeal, which the Seljuks

wanted them to apply along the frontier with the Byzantines. The house of Uthman proved to be one of the most successful of these bands, taking many towns and villages from the control of the Byzantines, they then unified the other ghazis, under their banner, brought the lands surrounding Constantinople under Islam, culminating in the capture of Byzantine Empire capital - Constantinople in 1453.

The Ottoman's swept through the Balkans and Eastern Europe in spectacular fashion. The important city of Thessaloniki (Macedonia) was captured from the Venetians in 1387. In 1389, the kings of Austria, Bulgaria, Bosnia and Hungary attacked the Ottoman's but Sultan Murad I crushed them at Kosovo, which shocked Europe. In 1396, the whole of Europe including French and German armies fought against Sultan Bayazid Yaldram at Nicopolis but were comprehensively defeated and 20 rulers and dignitaries were brought to the Khaleefah's court as the captives. Sultan Bayazid had annexed all the territory from Bosnia to Danube. He had also conquered Greece (Athens) in 1398.

Before Suleiman al Qanooni's reign came to an end in 1566 he had expanded the Islamic frontiers well into Eastern Europe bringing Belgrade the capital of Serbia under Islam as well as regaining the Greek island of Rhodes. He had defeated Louis II of Hungary and Bohemia and brought most of Hungary under Islamic authority. By 1578 Georgia and what is today Romania was under Islam. Before the beginning of the 17<sup>th</sup> century the Ottoman's had brought Southern Italy, Hungary, Austria, Romania, Macedonia, Bulgaria, Albania, Malta, Cyprus, Croatia, Ukraine, the Canary Islands, parts of Iceland and the largest island of the Bristol waters in England, UK - Lundy under Islamic authority.

Such was the perceived threat of the Ottoman Khilafah under the reign of Suleiman al Qanooni that ambassador Busbecq of the Austrian monarch Ferdinand I warned of Europe's imminent conquest: *"On [the Turks'] side are the resources of a mighty empire, strength unimpaired, habituation to victory, endurance of toil, unity, discipline, frugality and watchfulness... Can we doubt what the result will be?...When the Turks have settled with Persia, they will fly at our throats supported by the might of the whole East; how unprepared we are I dare not say."*<sup>21</sup>

Turkey was a superpower previously when the Ottoman's managed to unite many of the lands around Western Turkey. They removed the Byzantine Empire as the world's superpower and menaced Europe for centuries. Since the destruction of the Khilafah elements within Turkey have worked to remove the nations Islamic roots, Turkey became aligned to the West, joined NATO, protected US aims during the Cold War and is attempting to join the European Union (EU).



## **Justice and Development Party (AKP)**

Ever since Abdullah Gul and Recep Tayyip Erdogan left the Virtue party and formed the Justice and Development Party under the leadership of Erdogan, they both began cementing ties with America in order to remove the influence of Britain and its ties with the Army. Whilst many reforms have been introduced to break the armies hold on power the centrepiece of the AKP's strategy was the 'Shared Vision Document' signed between the Turkish and American government by Abdulla Gul and Condoleezza Rice on 5<sup>th</sup> July 2006. The meeting confirmed: "*The strategic vision document confirms Turkish-US consensus to translate our shared vision into common efforts through effective cooperation and structured dialogue.*"<sup>22</sup> The AKP and the US agreed to amongst a number of issues:

1. Supporting international efforts towards a permanent settlement of the Arab-Israeli conflict, including international efforts to resolve the Israeli-Palestinian conflict on the basis of a two-state solution
2. Supporting diplomatic efforts on Iran's nuclear program, including the recent P5+1 initiative  
Contributing to stability, democracy and prosperity in the Black Sea region, the Caucasus, Central Asia and Afghanistan
3. Enhancing energy security through diversification of routes and sources, including from the Caspian basin

A US House of Representatives Committee on Foreign Affairs hearing entitled *The United States and Turkey: A Model Partnership* under the chairmanship of the Head of the Subcommittee on Europe Robert Wexler was convened following, the historic visit Obama paid to Turkey in April 2009, concluded that, "*This cooperation is vital for both of the two states in an environment in which we face serious security issues in Afghanistan, Iraq, Iran, the Balkans, Black Sea, Caucasus and the Middle East, besides a global financial crisis.*"<sup>23</sup>

## **Caucuses**

Turkey under the Uthmani Khilafah fought and lost a number of wars in the 18<sup>th</sup> and 19<sup>th</sup> centuries which led to the Ottoman's to cede territory to Russia. The collapse of the Ottoman Khilafah in 1924 led to a number of incidents with Armenia - which have come to be known as the Armenian massacre. This defined the hostile relations between the Caucasian nations and Turkey. Today both Russia and Turkey are working to gain a foothold in the region.

Turkey is currently in the middle of a lengthy process to normalise relations with Armenia. Normalising ties includes the opening of the shared border. The talks have gone through a number of summits and discussions, which has produced protocols both nations have signed. The protocols however remain stuck in both Turkish and Armenian parliaments due to the resistance in both nations by certain elements. The outcome of such negotiations is intrinsically linked to Azerbaijan who wants the Nagorno-Karabakh territory to be resolved under any agreement between Armenia and Turkey.



The Nagorno-Karabakh territory was given independence in the dying days of the Soviet Union. It is a territory that both Armenia and Azerbaijan lay claim to. The territory continues to plague relations between Armenia and Azerbaijan as both have gone to war on a number of occasions over the territory. Currently negotiations are taking place between Azerbaijan and Armenia mediated by Russia. Russia's resurgence has meant that it is

expanding into the Caucasus again and working to bring its former republics under its influence once again. The Caucasus is important to Russia as it acts as a buffer zone between Russia and other regional powers. Russian influence and control over the nations that comprise the Caucasus prevents other powers from gaining a foothold in the region.

Azerbaijan has doubts over the importance Turkey places upon its claims to the territory. This has resulted in Azerbaijan turning to Russia's mediation. Russia has been able to play Azerbaijan, Armenia and Turkey off each other. This strategy by Russia also places an obstacle in the apparent ascendancy of Turkey as it prevents it from a direct supply line to the energy of the Caspian Sea, which prevents Europe from accessing those resources as it attempts to circumnavigate around its dependence on Russia's energy.

Turkey has become a strategic reinsurance for Georgia through its direct contact with the Government of Abkhazia. For Georgia Turkey's commerce with Abkhazia and South Ossetia helps Abkhazia from total Russian domination.<sup>24</sup>

## Energy

Turkey's geographic location has turned it into a conduit for energy. Straddling Europe and Asia, Turkey's Ports receive crude oil and natural gas which is then refined and sold to European markets. Turkey has regularly advocated European energy projects, like Nabucco, that circumvent the Russian network. As one analyst put it: *"The other more secure corridor for European energy diversification is Turkey - already an end point for two major pipelines from the Caspian. Turkey's Mediterranean port of Ceyhan supplies Europe with much needed alternative oil. But while Turkey has the potential to become an energy hub for Europe, there is much work left for the EU. The first order of business*

*Russia's use of its energy resources as a foreign policy tool has seen Ukraine, Lithuania and subsequently Europe being held hostage by the former world power. Europe and especially France and Germany's dependency on Russia's energy hydrocarbons has been exposed one too many times and Turkey currently represents the only alternative to Russian energy dependency.*



would be a diplomatic offensive to realize the Nabucco gas pipeline from Turkey to Austria through Bulgaria, Romania and Hungary. This project would provide another key alternative route for Caspian resources to reach Europe to begin to ameliorate overdependence on Russia."<sup>25</sup>

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## Middle East

Turkey is not part of the P5 + 1 nations who are attempting to construct a sanctions programme against Iran for enriching Uranium. The US has reneged all deals and agreements that have been reached which has allowed the Iran nuclear issue to escalate to the level it has. This shows that the US has no intention of solving this conflict and it has actually ensured no solution is ever reached. The US achieves a number of its aims in the region through this diplomatic crisis. America has gained a strategic advantage by providing security to the Gulf Arab countries in the face of Iran's rhetoric; it has also forced the Israelis into a security pact. Turkey and Brazil's nuclear fuel swap proposal to de-escalate the Iranian nuclear controversy took place on the same day when the US was tabling sanctions against Iran.

*This is exactly what took place with regards to the nuclear enrichment deal Turkey and Brazil reached with Iran. The US for long has used the Iranian nuclear stand off to achieve its other aims in the region. With European pressure increasing on sanctions, America achieved an alternative deal with Iran in the face of stiff European pressure with the non-permanent members of the United Nations over the permanent members.*

Turkey various positions in the Middle East are no different to America's, Turkey agrees with the two state solution and has actively participated in the indirect talks to kick start the peace process. Similarly America needs nations it can rely on to extricate itself from Iraq and Turkey has been more than happy to play the patron. Stephen Larrabee, Corporate Chair in European Security at the RAND Corporation said regarding Turkey's role in the Middle East "*Turkey's new activism is a response to structural changes in its security environment since the end of the Cold War. And, if managed properly, it could be an opportunity for Washington and its Western allies to use Turkey as a bridge to the Middle East.*"<sup>26</sup>

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### **Phoney Resurgence**

Turkish assertiveness is anything but independent. Since the end of WW2, throughout the Cold War and Gulf wars Turkey has sided with the US. Currently the Caucasus is a hot spot where a resurgent Russia is looking to bring its former republics under its influence and create a buffer zone to protect the Russia interior. Turkey in reality whether independently or by design is not just protecting US interests but also European interests. By forging relations with the nations of the region Turkey is attempting to complicate Russian interests, which is the US strategy in the region.

In the area of energy Turkish independence and manoeuvring is highly questionable when the West on many occasions has presented Turkey as the alternative to Russia. It appears Turkey is in reality protecting European energy interests and subsequently US interests in ensuring Russian influence doesn't gain any momentum.

Similarly Turkish mediation between Syria and Israel in solving the Palestinian conflict is not a resurgent Turkey looking to shape the politics of the region according to its aims but rather it comes under US attempts to start indirect talks between Israel and the Muslim nations of the region to normalise relations after a decade of no progress on the peace process and as the US attempts to extricate itself from Iraq and Afghanistan.

### **Conclusions**

Turkey has very limited energy resources, but because of its strategic location between Europe and Asia and between oil consumers and oil producers, it is crossed by several major oil and gas pipelines. Turkey's geographical location makes it a natural trans shipment route between the major oil producing areas in the Middle East, Central Asia, and the Caucasus on the one hand, and consumer markets in Europe on the other. As a result Turkey has developed an advanced mineral processing industry and is a world leader in many key metals and chemicals. Turkey is also one of the world's largest agricultural producers.

Rather than protecting the needs of other nations, Turkey is in pole position to become a world power through pursuing an independent foreign policy. The current assertiveness many analysts describe as a 'resurgence,' could not be further from the truth, this is because Turkey is only manoeuvring within the space the US has permitted it. Turkey's mediation in the Palestinian issue takes place when the US has decided indirect negotiations should take place on the final settlement. Similarly America's policy of containing Russia and pushing Russian assertiveness all the way back into Russian territory has seen Turkey play a leading role in the Caucasus to complicate Russian aims. Turkey's has been repaid by the US by the House Foreign Affairs Committee passing a resolution condemning Turkey for the apparent role of the Ottoman's in the Armenian Genocide.

Whilst Turkey continues to reform itself in order to be welcomed into the international arena America continues to use Turkey for its aims and the European Union continues to delay Turkey's ambition to join the EU. Until Turkey takes lessons from its history, where it was a superpower and construct independent polices it will never be a world power.

## Germany: The Sleeping Giant

The German people emerged on the European scene in spectacular fashion. Germany rapidly industrialised and on two occasions attempted to change the global balance of power. Medieval Germany, lying on the open Northern European plain, was divided into hundreds of competing kingdoms, principalities, dukedoms, bishoprics and free cities since the formation of the Roman Empire. Over a thousand years various kings and rulers attempted to unify the German states without success. As a result the German people engaged in many internal wars and conflicts amongst each other.

Otto Van Bismarck oversaw German unification which set the nation on the path to industrial supremacy. Beginning in 1871, Germany began establishing several colonies outside of Europe. Bismarck managed to achieve unification of the German lands which many had attempted for nearly a thousand years. Such unification meant German resources and minerals could all follow one unified policy and for once Germany could be domestically developed without facing any secessionist calls.

Germany's rapid development placed it in direct conflict with Britain and by 1900 Germany matched the military prowess of Britain and competed with it in the colonisation of the world. Germany took full advantage of Serbia's assassination of the heir to the Austria-Hungary Empire. Germany invaded France, broke its alliance with Russia and began invading Eastern Russia. Germany didn't stop there and continued the invasion of Europe and when its military machine went into Belgium Britain mobilised for war and WW1 had begun. The British empire's control of oil and the capturing of the rich oil fields of Baku on the Caspian Sea denied vital supplies to Germany and resulted in the eventual surrender of Germany.

The Treaty of Versailles in 1919 officially ended World War I between the Allied and Associated Powers and the German Empire. After six months of negotiations, Germany was forced to accept full responsibility for causing the war and, under the terms of agreement would make reparations to certain members of the Allies. Germany would also lose certain amount of its own territory to a number of surrounding countries, be stripped of all its overseas colonies, and its ability to make war again was limited by restrictions on the size of its military.

It was in such circumstances Hitler emerged, a rightwing fascist who believed Germany to be a great state. Hitler managed to unify the German masses on his vision, that Germany is a great state, and therefore needed a strong economy in order to achieve her potential, which arguably Hitler perceived, as a world power. The vision of a thousand-year Reich managed to capture the imagination of a large section of the German public, which motivated hundreds of thousands of them to work towards the aims of Nazism.

On the two occasions Germany embarked on becoming a world power through its war economy it quickly became a world power, the rapid rise of Nazi Germany was only halted through the mobilisation of the world's powers through WW2.

German defeats in both the world wars have defined the nations post war policies. The help received from the US to curtail the possible shift towards Communism resulted in the US to redevelop Germany and ever since Germany has developed a largely economic centric foreign policy viewed from the lens of Europe. Germany continues to work in partnerships due to its historical legacy and uses its economic strength to strengthen Germany. This has not resulted in political influence as the post war generation views this as a return to its colonial legacy. Germany after reunification expanded economically through a distinct set of economic policies with virtual hegemony in Eastern Europe. During the Cold War, when much of Eastern European business dried up, Germany became the largest Western trading partner of every country within the former Soviet Union. When the communist system collapsed German bankers and industrialists moved quickly to fill the vacuum. This time it was not tanks and soldiers that invaded Eastern Europe but money and industry.

Germany's return to prominence after WW2 has been due to tentative political policies. The US destroyed Germany's military and manufacturing base after WW2; however since reunification Germany has begun showing interest in military and political aspirations that have global dimensions. The best example of this is the increasing participation in NATO activities in Bosnia, Kosovo and Afghanistan. Germany has participated with France and Britain in the multilateral visits to Iran. Which put pressure on Iran to become signatory to an additional protocol that allows unplanned inspection of its nuclear installations. Germany also played an active role in the successful mediation in the issue of exchanging prisoners between Israel and Hezbollah. Germany also deployed a naval force in the Israeli invasion of Lebanon in 2006. Its deployment consisted of two frigates - the Mecklenburg-Vorpommern and Karlsruhe - supported by helicopters, supply ships and patrol boats, with about 1,500 men on board. This is Germany's largest military deployment since WW2.<sup>27</sup>

Germany today is the world's 4<sup>th</sup> largest economy and the largest economy in Europe making it the economic powerhouse in Europe. Germany until the recent rise of China was regularly the world's largest exporter. Germany has a history of being world power, however there are a number of stumbling blocks that hinder Germany, which if overcome would allow Germany once again to be a world power:

- Through a variety of policies German society through its education curriculum, public opinion, literature and culture has come to despise its history of attempting to dominate Europe. Germans view their history of attempting to shift the global balance of power as something that it needs to continually apologize for and as a result it works with Europe and the international community on international issues. Ever since Hitler attempt to conquer Europe, Germany has not pursued an independent foreign policy. This apologetic strategy will always stop Germany from becoming a world power.
- Since WW2 Germany has pursued a European centric foreign policy. Due to its attempts at conquering Europe and the subsequent wars Germany has come to view the world through the lens of Europe. Germany coordinated with France in setting up the European Union and whilst it is the largest economy in Europe it is politically weak inside the EU. France is the forefather to the European Union, after WW2 France perceived the United States and

particularly the US dominance of European foreign and defence policies through NATO, as a threat that could make Paris irrelevant. At the time, the French saw their country as a key world power that did not need hefty alliances, and that needed to stand apart from the United States. In 1950 French Foreign Minister Robert Schuman proposed a community to integrate the coal and steel industries of Europe - two elements necessary to make weapons of war. Similarly the UK worked to strengthen itself in the European Union when the détente was agreed between the Soviet Union and the US in 1961. The EU is a tool used by these nations to achieve their own national interests; Germany has made the EU its national interests. Until this is not replaced with global aims and ambitions this will act as an impediment to Germany.

- Germany's economic driven foreign policy has turned the nation into a trade powerhouse which has stifled development in key industrial sectors that would aid Germany in becoming a world power. Germany took full advantage in the fall of the Soviet Union and its companies cornered most of the markets of the former Soviet republics. Germany continues to excel in the production of automobiles, machine tools, and chemicals. German industry continues to be dominated by small to medium sized manufacturing firms, which specialise in niche products. The German president Horst Kohler, was forced to resign for stating the obvious in May 2010, however he encapsulated Germany's economic driven foreign policy: *"In my estimation, though, we—including [German] society as a whole—are coming to the general understanding that, given this [strong] focus and corresponding dependency on exports, a country of our size needs to be aware that where called for or in an emergency, military deployment, too, is necessary if we are to protect our interests such as ensuring free trade routes or preventing regional instabilities which are also certain to negatively impact our ability to safeguard trade, jobs and income. All of this should be discussed and I think the path we are on is not so bad."*<sup>28</sup>
- Germany's lack of mineral resources never stopped it from dominating and conquering most of the European continent. This was possible as Germany had global ambitions. Its political aims mobilised the nation to focus on building its defensive and offensive capabilities, due to this it menaced Europe and it took the two world wars to halt German expansion. The technology used for missiles came from rockets the Nazi's developed which were used to develop cruise missiles and ballistic missiles after WW2. At the heart of America's attempts to be the first into space was the kidnapping of Wernher von Braun, the Nazi rocket expert, who eventually became director of NASA and constructed US ballistic missiles. It was also Germany who invented the worlds first fighter jet, the Messerschmitt Me 262, which became the blueprint for all post WW2 jets. Towards the end of WW2, Winston Churchill, Franklin Roosevelt and Joseph Stalin said, *"It is our inflexible purpose to destroy German militarism and Nazism and to ensure that Germany will never again be able to disturb the peace of the world. We are determined to disarm and disband all German armed forces; break up for all time the German General Staff, remove or destroy all German military equipment, eliminate or control all German industry that could be used for military production."* Germany today only has 247,000 troops, its military industry produces mainly armored vehicles, with submarines and warships. Germany has the ability to develop nuclear weapons very quickly if it desired, but lacks the political will or ambition. Whilst

Germany's military industry is behind the other world powers, Germany is still in a position where with the political will it can rapidly build upon its existing industrial base and challenge the US. However currently whilst Germany possesses the ingredients to be a world power, it does not possess the key ingredient – political will.

## **Conclusions**

Germany on two occasions embarked on becoming a world power. It achieved this through industrial development and through rapidly constructing its military industry and mobilising for war. Germany today represents an economic power, which has large exports; however this has not translated into political influence. Germany who has always had a shortage of mineral resources overcame this through expansion and annexation. Unlike Britain and France who use the European Union to further their own interests, Germany has not developed policies for German interests, but rather its policies are to strengthen Europe. Until this shift takes place Germany will increase its prosperity through its economic strength but will never be the world's superpower and never be in a position to challenge the US. Germany has an established industry, which places it in a distinct advantage over some of the other potential challengers to the US. It also has a history of being a world power. The political and economic facts are all in Germany's favour, Germany just needs to realise this.

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## Britain: The Phoney Power

Britain's role in the world usually centres on nuclear weapons, terrorism and the special relationship with the US. Britain's was the world's superpower for 150 years until WW2 where it successfully halted Napoleon's attempt at conquering Europe, then Germany's attempts at occupying Europe in the early 20<sup>th</sup> century. It was again Britain who was at the forefront of facing against Hitler's attempts at conquering Europe. British interests have not changed over the years.

World War Two consumed Britain to such an extent that it brought an end to the British Empire and its international standing. This was because Britain was virtually bankrupt from WW1. Its army was overstretched and Britain was not in a position to enter another war. This is why in the post war era, British global aims have been restricted by its economic reality. For this reason Britain worked and continues to have a role in the world by partaking in global issues, however it is unable to completely shift the global balance of power. Fareed Zakaria, the Newsweek international columnist in his book 'The Post American World,' encapsulated British policy: *"The photographs of Roosevelt, Stalin and Churchill at the Yalta Conference in February 1945 are somewhat misleading. There was no 'big three' at Yalta. There was a 'big two' plus one brilliant political entrepreneur who was able to keep himself and his country in the game, so that Britain maintained many elements of great powerdom well into the late 20th century."*<sup>29</sup>

British foreign policy today is built upon having a role in Europe and influencing the US. British policy makers have accepted the nation's weakness after WW2 and developed a policy of preservation rather than outright competition with the US. Britain has managed to achieve its interests through a policy of preserving its global ambitions by working with the US and the EU, whilst at the same time working to divert, alter, complicate and limit the aims of both. Britain's recent policies to achieve its interests show that politically Britain as a nation will always compete with the US, however beyond this it lacks the resources or the economy to achieve anything substantial.

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- **Libya** - Britain frustrated US plans by rescuing Gaddafi's government from the clutches of American neoconservatives who after September 11 wanted regime change in Libya. Britain manipulated Gaddafi into accepting Libya's role in the Lockerbie disaster and secured the release of Al-Megrahi in 2009, securing in turn a stable supply of Africa's oil.
- **Afghanistan** - In Afghanistan the UK has played an ominous role. After eight years of war the western allies are no closer to defeating the Taliban. Whilst all those with interests in Afghanistan met in London in January 2009 to hammer out a deal to entice the Taliban with offers of government positions, Britain appears to have complicated America's presence in South Afghanistan where most of the fighting still continues. The Helmand province where British troops are stationed is still not secure after all these years. Britain cut deals with the Taliban in the South which included bribing the Taliban, the London Times investigation in 2007 revealed over £1.5 million was spent in bribing members of the Taliban.<sup>30</sup> Similarly



Research by the independent Afghanistan Analysts Network, a Kabul-based think tank, in a report, titled *Golden Surrender*, was highly critical of the British-backed Peace and Reconciliation Scheme (PTS), established in 2005, which it says has been left to flounder under bad leadership with neither the political nor the financial capital it required.

- **Sudan** - America brokered the Naivasha peace accord in 2005, which culminated in the eventual termination of the civil war between the main rebel group, the Sudan People's Liberation Movement/Army (SPLM/A) and the Sudanese government. The terms of the agreement included a variety of measures that gave the South autonomy and the prospects of secession in 2011 when the deal expires. Both Britain and France provided arms to Chad, which supports and arms the rebels in Darfur, which created the Darfur issue. Both nations have successfully internationalised the issue of Darfur and complicated US plans to separate the South of Sudan and turn it into an independent nation. Instead the US must now deal with the Darfur issue thus delaying its plans for the South.
  
- **Lebanon** - In Lebanon the assassinations of prominent politicians have deeply divided Lebanon into pro-Syrian/Hezbollah and pro-EU camps. The Hezbollah-led March 8 coalition utilised its veto vote to complicate the forming of a government. Both Britain and France have engaged with the March 14 coalition led by Saad Hariri's Future Movement to maintain their relevance in Lebanese politics. Hezbollah has successfully ensured US interests are protected in Lebanon by utilising its veto vote resulting in none of the pro-EU parties from achieving a majority and therefore unilaterally forming a government. In this way the US has been unable to turn Lebanon into a US stronghold.
  
- **Iran** - Whilst Britain is member of the P5 + 1 commission attempting to bring Iran in line and halt its attempts to enrich Uranium to weapons grade standard, it has used its role to complicate American interests. In the Iranian elections in 2009 Britain alongside Europe blew the election result out of proportion and worked to exploit the situation. Britain argued that the Iranian regime needs to address the legitimate concerns of the protesters; they also didn't recognize the legitimacy of Ahmadinejad. The US on the other hand, who is looking to impose harsh sanctions on the country, actually supported the regime by arguing that the issue was an Iranian domestic matter. Britain and France had tried to influence the protests, but it was a weak attempt to bring down the Ahmadinejad's regime. Similarly the US made use of the non-permanent members of the United Nations in the face increased pressure from Britain to push ahead with crippling gasoline sanctions against Iran. For the US the nuclear stand-off achieves a number of its aims in the region, this is why the stand off never reaches anything conclusive, whatever the rhetoric at the time. By working with the US on the issue Britain has worked to undermine the US.
  
- **Europe** – The British establishment views complete isolationism from the EU as unrealistic. Europe is too close and too large to be simply ignored. Successive British governments believe that through engagement, London can influence the EU's development and the ultimate direction of its policies. It is not opposed to a European political union, as long as London does not turn into Luxemburg and melt into the EU, it wants a prominent seat at the table of such a union.

## Economic Deceit

Britain has successfully kept itself in the international game through participating in all international issues. An example of this is the Afghan war, Britain has no overriding interests in the country, however it has participated in the US led war to keep itself relevant and in this way it is able to shape the outcome of the conflict. This is all Britain will achieve; it will never shift the worlds superpower from its post as it lacks the power, economy or resources.

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Whilst Britain has a £1.5 trillion economy, the 6<sup>th</sup> largest in the world Britain lacks the industrial base to pose any challenge to the US. Britain has global aims and has mastered the art of political manoeuvring; however it punches above its weight. Britain was bankrupt due to the costs of WW1, it was in no position to challenge the rise of Nazi Germany, and this in some way explains Neville Chamberlain appeasement. However with Hitler's Germany occupying most of Europe and on the verge of removing Britain as the world's superpower Britain went to war to reverse Germany's advance, with the Soviet Union launching an Eastern offensive and with Britain and the US launching the infamous D-day offensive landings in France, Germany was defeated by 1945. However it was not Britain who defeated Germany – it was the Soviet Union and the US, Britain was devastated, the country lay in ruins and economically the British Empire was in no position to fund its global empire.

The austerity years resulted in the economies of the US, Soviet Union, Japan and Germany to overtake Britain's. British industry paled into insignificance to the technological developments taking place in the US and by the time Thatcher arrived in office in 1979 Britain was abandoning its industrial base which was developed in the 18<sup>th</sup> century – Britain was the first country in the world to industrialise, it was central to it becoming a world power.

Britain today has an economy which is driven by the services industry, which itself is dominated by finance. It has lost a generation of engineers and specialists in industry as Britain restructured its economy from industry to services in the last three decades. This has resulted in Britain being unable to lead an independent and unilateral foreign policy as it physically cannot go it alone. This is why Britain has for decades learnt the art of constructing coalitions and using others to fulfil its own aims. Whilst Britain's nuclear deterrent continues to be the lens through which the nation's foreign policy is viewed. Britain's nuclear weapons whether the missiles, warheads, switches and factories have all been sold to the US. Britain has outsourced its nuclear deterrent, whilst this means it losses its independence on security, it also reduces the burden on the UK budget.

Britain's economy is weak from an international standpoint. Today British industry has around 3 million people with food processing the largest industry. Britain today produces transport equipment, which is undertaken by car manufacturers such as BMW, General Motors, Honda, Nissan, Toyota and Volkswagen. Brush Traction and Hunslet manufacture railway locomotives and other related components. Rolls Royce, manufacture aerospace engines and power generation systems. But Britain's military industry is dominated by BAE Systems, who manufactures civil and defence aerospace, land and marine equipment, which include the Type 45 destroyer, aircraft carriers, the Eurofighter Typhoon and maintains Tornado and Harrier jets. Only the Type 45 destroyer is built entirely by British engineers, all other heavy military equipment is either imported from overseas or developed with partners. Very little military systems is indigenously constructed by Britain

Britain's biggest problem today is its economic reality, its economy is unable to support the aims the UK has for global domination, and as a result London has played a weakening hand in international affairs. Until Britain doesn't reconstruct its economy towards industry its unlikely Britain will even attempt to challenge the world's superpower directly, it will make do with its small gains.

## **Conclusions**

Britain's global outlook is based upon protecting the array of interests it has. This can be encapsulated as Britain complicating, altering and diverting the plans of other powers. This is how Britain keeps itself relevant. Due to the economic reality of Britain, it has no propensity to achieve anything more. Britain can complicate the plans of other world powers to the extent that it is taken seriously in the world, this is why the US very rarely goes it alone, and it usually takes Britain along with it. For Britain it has the front seat with the world's superpower and can see at first hand US plans evolve, this places it in pole position to benefit from US aims and giving it the option to complicate US plans if this serves its aims. Britain has to deal with the prospect of a resurgent Russia and both Iraq and Afghanistan becoming ever more complex. Britain will also face the prospect of both Germany and France further entrenching themselves into Europe after the Lisbon treaty, shaping the EU in their interests. Britain will continue to work with the US in Palestine, Iraq and Afghanistan and continue to alter and complicate US plans in order to keep strengthening itself. This dual, sometimes contradictory approach is how Britain keeps itself relevant in international politics. This is what Britain has resigned its role to in international politics; it no longer has the ability to achieve anything more substantial. Britain plays its weakening hand with impressive political skill, however this is insufficient in becoming the worlds superpower.

## Conclusions

The American century is the term that has come to describe the dominance of the US of the 20<sup>th</sup> century. Central to America's status has been its military prowess. America's entry into WW2 won the war, the massive military build up pulled the US out of the great depression. When the US dropped the world's first nuclear bombs upon Japan, this confirmed America's edge over every other power. US prowess led it to develop missiles that carried heavier loads and travelled further than the Soviet Unions. It was such developments that led to the US to out do the Soviet Union in space. US military development has led to technologies that many take for granted, but have become key to 21<sup>st</sup> century lifestyles. The internet, barcodes, marker pen, hard disk drive, wireless microphone, integrated circuit, magnetic strip, cordless phone, computer CD, global positioning system and email are just some US military inventions that have ended up changing society. This is why the US naturally entered the 21<sup>st</sup> century as the world's unrivalled power.

Today much of the Pentagon budget is based on wish lists that were conceived during the Cold War. The US military failed to notice that the Soviet Union had collapsed and no great-power rival was around to get into any fights with the US military.

However Iraq and Afghanistan have undermined the key to US power, it's military.

Does this signal the decline of the US as the world's superpower?

America's control of the international situation since WW2 has been built upon her military strength. Today the US does not enjoy the same primacy as it did prior to its invasion of Iraq. Iraq and Afghanistan have impacted US power and depleted her resources. The global economic crisis further exacerbated America's standing in the world, as it turned towards Socialist intervention to prop up its economy. Because of such challenges America's presence in the world is being considered as overstretched and untenable.

As a result of America's apparent weakness, the challenges stemming from her competitors have grown in size and scope and today are much stronger. Whilst the US is faltering and despite all the setbacks it has faced the US still remains the world's dominant power, sets the worlds agenda and controls the global balance of power.

Whilst US military dominance has been undermined the US spends more on defence research and development than the rest of the world combined. So whilst the US faces larger, deeper and broader challenges it still has an immense scientific and technological edge over the rest of the world. It is unlikely the US will disintegrate like the Soviet Union or cease to be the worlds power as is what happened to Britain, because the US still maintains its economic hegemony through the Dollar and its industrial advantage.

The US can only really be deposed through the rise of another power.

China has a military industry in better shape than Russia, but it lacks the global ambition necessary to remove the US as the world's superpower. Its economic development is fragile and its territorial

cohesion can be easily manipulated by the US, if the US deemed it necessary. China is every day becoming more and more like Japan and becoming an economic power, however an economy without political aims and global ambitions will turn a nation into a trade powerhouse never a global power.

Russia on the other hand has managed to take advantage of America's weakness and strengthen itself in the former Soviet republics. However Russia is still very far from the necessary economy and industrial base needed to pose a direct challenge to the US. For these reasons the US will remain the world's superpower for the foreseeable future even though it is faltering, because none of the powers who realistically can challenge the US – China and Russia, pose a challenge sufficient enough to topple the US - for the moment

Global ambitions intertwined with the appropriate economy and industry is central to competing with the world's powers. Japan and Germany had global ambitions which came from the belief that they were superior people to the rest of the world; this drove the need to develop and motivated their people to contribute towards the aims of global domination. It took WW2 to stop both nations. Japanese development in the 1970's and 1980's was economic and not political and hence it remained within Japan's borders. Both Japan and Germany have always lacked mineral resources in order to develop but their global ambitions drove them to develop strategies to overcome such obstacles.

In a similar manner Britain and the America on the eve of their development had small populations and lacked the technology to compete with their competitors. Britain's global ambitions of colonising the world, to benefit from their mineral resources, drove them to develop a state of the art navy and turned them into the world's superpower by the turn of the 18<sup>th</sup> century. American development began through the American Revolution where Britain was expelled as the American people wanted to embrace the unalienable rights of freedom. The belief in 'manifest destiny' this is the divine belief that the original United States was ordained to conquer the North American continent motivated Americans to work for the territorial expansion Westward. In the case of Britain and America all challenges were mere obstacles that stood in the way of global aims and just needed to be removed (solved). The adoption of Capitalism unified their societies and motivated them to work towards developing the nation and in turn fulfilling their global ambitions.

Today Germany and Japan have strong economies but they lack the political will to change the global balance of power. Britain has the political will and ambition, but this has not translated into an industry and economy that would aid such ambitions. India is still to overcome its domestic challenges and it's very unlikely it will ever have global aims. Turkey has reduced its role to within the context of the international system and the designs the US has on the world. Whilst this will keep Turkey relevant as it will protect US interests such a strategy secures the position of the world's power rather than alter it.

Whilst the US potentially faces challenges from two challengers, China and Russia, US national intelligence estimates have continued to reiterate the demand for Islam by the Islamic Ummah around the world as a threat. Without a state the Ummah will be unable to become the leading nation and challenge the US. The threat posed by the potential Khilafah was continually reiterated

by the Bush administration, it was one of the reasons for both the Iraq and Afghan wars. The retired UK armed forces chief and advisor to the UK Prime Minister, General Richard Dannatt confessed in an interview to the BBC Radio 4 that the objective behind the war in Afghanistan is; *"there is an Islamist agenda which if we don't oppose it and face it off in Southern Afghanistan, or Afghanistan, or in South Asia, then frankly that influence will grow. It could well grow, and this is an important point, we could see it moving from South Asia to the Middle East to North Africa, and to the high water mark of the Islamic caliphate in the 14th, 15th century."*<sup>31</sup>

Americas prowess has been undermined, the financial crisis has shown the US economy, the worlds largest is built upon a pack of cards, however there is no nation in the world who currently can expose such a reality and hence US dominance will continue. Those who can pose a challenge to the US either lack the political will or have not reached the level of development where they can sustain open and direct competition with the US. Therefore whilst the US maybe faltering, due to the absence of a credible alternative power, it is unlikely to be removed - for the moment as the worlds superpower.

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