Making predictions about the future is risky business. No sooner is the prediction made than it is proven wrong. Statements about the permanent nature of the Berlin Wall, the Cold War, and the Soviet Union come to mind. Those few who got it right often got the reasons wrong. Thus, the Soviet Union did not collapse either because of war with China (Andrej Amalrik) or because of the dissatisfaction of the Soviet Muslim republics (Hélène Carrère d’Encausse). Even more recently, we have discovered that there is no permanent economic boom. The downturns may still be considerable indeed. Hardly anybody predicted the Arab Spring of 2010–11. That the self-immolation of the fruit-seller Mohamed Bouazizi in Tunis in December 2010 would have the consequences it did was apparently foreseen by nobody. So academics, or other people for that matter, have time and again fallen rather short in predicting concrete events. The great weakness of historians and historically inclined political scientists may well be that while we are not good at making predictions, we are very quick to pronounce something historically inevitable once it has happened. Few things in history are really inevitable.

We may have fared slightly better in outlining broad historical processes than in predicting specific events. Thus, many came to understand that the Soviet Communist system was facing increasing difficulties. It was just beyond our imagination that the outcome of these difficulties would be the total collapse of a system, an ideology, and a country. Similarly, few had doubts about the problems in the Arab world. The Arab Human Development Report of 2002 had outlined all the shortcomings of these countries in great detail. The assumption was clearly that sooner or later they would have to reform or fall. Yet, the problems had been developing for decades. No one could say exactly when the moment of truth would come.
Predictions about the transfer of power have often proved to be wrong. We missed not only on the collapse of the Soviet Union, but the fall of the United States as the leading power has also been predicted time and again. Nikita Khrushchev was not in any way alone in his statements in the 1950s and 1960s that the Soviet Union would come to surpass the United States. The growth curves were clearly pointing in that direction. Then there were all the predictions in the 1970s and 1980s about Japan becoming Number One. Again, it seemed so obvious. If you extended Japan’s and America’s economic curves into the future, at some point Japan would have the biggest economy. And once you had the biggest economy, the rest would presumably follow. Then at the turn of the millennium the European Union had its years in the sun. There was much to admire in the European experiment. The unification process was moving briskly ahead. EU membership was constantly being enlarged; the content was forever being deepened. And did not the EU already have a combined GDP that was larger than that of the United States? We all know what the situation is today: the Soviet Union has disappeared; Japan has been at a political and economic standstill for 20 years; the EU is in a prolonged political and economic crisis.

But now there is China. The fact that something has not happened in the past does not mean that it will not be happening in the future. China has much that is going in its favor. Since the reform policy was launched in 1978 the economic results have been spectacular. No major power in history has grown as rapidly over such a long period as has China. After the West was hit by economic recession in 2008 and has had slow (US) or no (gradually EU) growth after that, China coughed briefly at 6 per cent growth, and then resumed its growth not at the normal 10 per cent, but at roughly 7 per cent. Although there may be questions about Chinese statistics, there is no doubt about the overall direction. In recent years China’s production first surpassed that of Germany, then that of Japan. China had the world’s second largest GDP. From 1990 to today the ratio of China’s economy as a share of the American one moved from 15:1 to 2:1. If China continues to grow at the rate it has grown over the last ten years and the United States does the same, China will surpass the United States some time between 2019 and 2022, if not even earlier.

Economically China is already a global actor. It is the world’s leading exporter and the second largest importer. It is investing more and more in ever new regions and countries of the world. China’s foreign exchange reserves have risen from relatively insignificant to by far the largest of any country. Based on its strong economy, China is expanding also militarily. Its ability to project power is increasing, particularly in the East Asian region. Its policy in the South China Sea and in other waters near its coast is becoming increasingly ambitious. The
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The ratio in defense spending between the United States and China has moved from 25:1 to 5:1 from 1990 to today. With the current cuts in American defense spending to reduce the overall debt, this ratio will move more quickly than it would otherwise have done. Yet, in 2011 China for the first time spent more on domestic security than on defense.

Naturally, the world is impressed with the Chinese model. Books and articles are written about the inevitable rise of China and how it will ultimately overtake the United States as the world’s leading power. In other words, China will revert to the leading position it had for centuries. Some have called this ‘the post-American world’ or even the ‘Beijing Consensus.’

Yet, there is reason for doubt. As David Shambaugh has recently argued in his China Goes Global: The partial power, ‘China’s global presence is more broad than deep while its international influence is considerably limited.’ Not only are there the many predictions of the past about the Soviet Union, Japan, and the EU surpassing the United States. Time and again we have seen that growth curves could not be extended indefinitely into the future. The US share of world production declined steadily from almost 50 per cent in 1945 to 40 per cent in 1950 and 30 per cent in 1960 and 25 per cent in 1975. The assumption was of course that the slide would continue. It did not. The US percentage of world production has held at close to 22 per cent. China and East Asia have clearly risen, but primarily at the expense of Western Europe, not the United States. Although rapidly rising, China still produces only 50 per cent of what the United States does.
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Soon, however, Asia is likely to produce more than Europe and America added together. If China’s production were to surpass that of the United States around 2020 – which could well happen – this would be an historic event since the US has had the largest production since around 1870. China would still be a relatively poor country on a per capita basis since it has a population four times larger than that of the United States. Yet, economic power is not normally measured on a per capita basis. Nobody sees Oman, Luxembourg, and Norway as the economic leaders of the world. Still, the estimates about China’s economic success are bound to be influenced by the personal wealth of its citizens.

While it is true that America’s many military problems in Iraq and Afghanistan have shown the limits of its military power and the huge damage asymmetrical warfare can inflict on the United States, in terms of alliance politics and so much else, military power is still important. Again, although the rate of growth is higher in China than the US, with the long-term consequences that might have, the United States still spends five times more on defense than does China. While the United States has 11 carrier groups, China is working to master the intricacies of its first carrier, bought from Ukraine in 1998 and rehabilitated until recently. The United States has allies all over the world. Contrary to the expectations of political science realists, NATO has not disappeared with the end of the Cold War. It now has 28 members and the United States is still the definite leader, although its role is much more complicated than during the Cold War. The rise of China has created renewed interest in much of East Asia and the Pacific in maintaining the United States as a counterweight, far away, but still projecting its power even here. Barack Obama certainly has his difficulties in the United States. Yet, even more important in this context, his standing as a world leader is still in a league of its own compared to that of the rather faceless Chinese leadership.

There is a reason that growth rates cannot be extended indefinitely. In China the supply of labor is beginning to be limited, wages are rising, and competition from new entry level countries is becoming a challenge. The state sector is still huge and heavily subsidized with many problems; many banks are shaky; bubbles are beginning to develop. The high growth rates have already begun to decline.

There are, moreover, two even deeper reasons for doubt about the future pre-eminence of China. First, although China has made tremendous progress also in innovation and research and has become a leader even in modern sectors such as solar energy and high-speed trains, the question remains of whether it will have the ingenuity to become the leading power also scientifically. Multinational companies account for over two-thirds of China’s high-technology output and over 90 per cent of its high-technology exports. Science is the basis of much modern economic growth and so far China has definitely been lagging far behind the United States in this category. The Chinese educational system is still characterized by rote learning. Creativity is lacking. The extensive Chinese copying of Western innovation and science can take the country only so far. It is no coincidence that at least until now China has not won a single Nobel prize in the sciences.
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The Dalai Lama and dissident Liu Xiaobo have received the Nobel Peace Prize, but for this they have received absolutely no compliments from Chinese authorities. Instead they have both been severely criticized and punished in different ways by the government. The second and the ultimate question relates to China’s political system. The rise of China has frequently been predicted, but something always happened in the past that blocked the process, whether under the Nationalists after 1911 or under the Communists after 1949. The twists and turns under the Great Leap Forward and the Cultural Revolution were disastrous. The most ambitious efforts to overtake the West ended in ruin.

In the last decades the political system has been remarkably stable with transfers of power from one generation to the next. Still: Can the domination of the CCP be maintained indefinitely? In history huge changes at the economic level are normally sooner or later accompanied by political changes. The Communist party has broadened its membership and is intent on having a dialogue with the new economic elites. As long as the economy continues to improve at a rapid pace, political loyalties may well be maintained. Pride in China’s achievements has also strengthened a nationalism that benefits the party. Yet, in a longer-term perspective the party has a mixed record indeed. As many as 40 million people may have lost their lives during the recklessness of the Great Leap Forward. Tens of thousands of ‘mass incidents’ are taking place in China every year. The number is apparently increasing rapidly.

Human rights and various forms of democracy have been spreading throughout the world. In recent decades there appeared to be two geographical exceptions to this development, the Muslim world and China. Now democracy has made great strides in Turkey, in Indonesia, and even in Malaysia as well. The situation in the recalcitrant Arab world is also changing rapidly. The regimes in Tunisia, Egypt, Libya, and Yemen have fallen. Syria could well be next. Several others are threatened. Can China hold out more or less on its own against this wave? China has been opening up in so many different ways. It is a much freer country now than some decades ago. Still, the party maintains its privilege of alone determining the answers to the most central political questions. Will it be able to continue doing so in the future? I have my doubts. In some way the Chinese people will probably insist that its voice be heard more strongly than today.

The United States has many things going for it. It has a strong economic basis. In recent decades the most innovative companies in the world have almost without exception been American (Microsoft, Apple, Google, Facebook). The United States has a growing population with a better balance between young and old than virtually any other major power, except India. America stood for and still stands for important economic and political values. Through immigration it is still able to draw in many of the most talented people from virtually the entire world, despite the restrictions imposed after September 11. Its elite universities remain the leaders of the world.
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America’s problems are, however, also substantial. They are largely twofold. First, the economy is in serious trouble. Growth has been slow or even non-existent in recent years. Debts have been piling up. Unemployment is higher than the almost 8 per cent still reported in official statistics, since many have more or less given up looking for jobs. Inequality has risen sharply with the top percentages earning extraordinary amounts of money and paying limited taxes. Virtually all Americans take it for granted that social mobility always has been and still is higher in the US than anywhere else. This is definitely no longer true; several countries, particularly in northern Europe, have higher social mobility. Most Americans appear to have forgotten how important the government in Washington was for America’s growth and welfare. For decades the United States lectured the world on the importance of balancing its budgets. Yet, it did not do so itself, except briefly at the end of the Clinton presidency. Under George W. Bush, taxes were substantially cut while expenses increased dramatically. The wars in Iraq and Afghanistan were expensive. Costly social programs were added, also under Bush, in the form of the drug prescription program. On top of all this came the huge expenses in fighting the economic recession in 2008–09. True, the debt has already been substantially reduced, particularly the yearly federal deficit (from more than 10 to 5.4 per cent of GDP), but it still limits America’s economic freedom of action substantially.

Second, while most Americans are incredibly proud of their political system as such, the politicians have been performing at a disappointingly low level in recent years. The system of checks and balances meant that powers were shared. The president may be the most powerful individual in the world, but domestically his authority is clearly limited. Many hurdles have to be overcome before anything really significant can actually be accomplished. Traditionally reform came only in brief spurts, when the political powers were properly aligned. Right now, with slow economic growth, substantial unemployment, and large debts, and with the Republican party and the House of Representatives so swayed by the new and enthusiastic Tea Party, Obama’s situation looks difficult. Gridlock exists in the form of a center-liberal president facing Republicans who continue to try to do almost everything they can to oppose the president, and this in the most difficult of economic times. When the president is not able to pass mild versions of gun legislation, even with 90 per cent support from the people, this leads to widespread cynicism. The outcome is clearly detrimental also to the position of the United States in the world. When the president is unable to really lead the United States, he definitely cannot lead the world. Financial coordination is lacking among the leading countries; trade negotiations are at a standstill; environmental issues more or less neglected. The election in 2012 appears to have changed remarkably little in this context.

No power can expect to remain forever Number One in the world. This would definitely appear to be against the laws of history, to the extent that such laws exist. The United States may still be the world’s only fully global power, but its influence is being checked by a whole series of regional powers. In Europe, the
United States is doing less than it did during the Cold War. Despite its many problems, the EU is doing more. No one should write off a union that has a much larger population than that of the United States and a somewhat larger total production. The military resources of Britain and France are still the third and fourth largest of the world. Japan too faces serious problems, but it does after all have the third largest economy in the world. In the Asian balance of power Japan should definitely not be overlooked. With Japan on America's side China will not be able to dominate even in East Asia. Russia has been facing great problems, but its lingering military base, its great natural resources, and in part still the education of its peoples provide some basis for its international role.

Then, there are the new and rising powers. India is developing quickly. There are those who argue that with its democracy and creativity India may in the long run come to rival China. It has, however, a long distance to do. Its production is still only between one-third and one-fourth that of China; its infrastructure is far inferior to that of China. Brazil has clearly emerged as a regional leader and is eager to play a larger role, not only in the Western hemisphere but also in other parts of the world. Its growth has already slowed a great deal, however. In Africa, particularly in the southern part, South Africa is the crucial actor, despite its huge problems. Indonesia is emerging as an important country. So is Turkey. In short, it is becoming increasingly difficult for any one, much less for a struggling United States to be the world's predominant power in the way it used to be for decades.

In its report from December 2012 the US National Intelligence Council predicted about the period until 2030 that 'There will not be any hegemonic power. Power will shift to networks and coalitions in a multipolar world.' The direction is most likely correct, but it may well be that the report somewhat underestimates the position of the United States. The exploitation of shale oil and gas in the United States is a most important factor in this context. Thus, the International Energy Agency has recently predicted that by 2030 the United States will be 'all but self-sufficient' in meeting its energy needs. So, at least in the energy field the United States might go back to the dominant position it had in the 1950s and 1960s.

Yet, things happen every day that affect the position of the Great Powers, militarily, politically, economically, technologically, organizationally, and in terms of their soft power. The relative strengths of the leading powers never remain constant. The picture drawn up today may look terribly outdated within a decade or two, most definitely in 50 years.

What will happen to the International System?

Following Charles Kindleberger, some observers have argued that the international system requires a hegemon. Before the First World War Britain was that
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leader. After the Second World War the United States was. In the interwar years there was no leader. Britain no longer had the resources to lead, the US did not have the will. Today, while the United States is still the preeminent power, it is not able to lead in the way it did in earlier decades. Its position has been relatively weakened; the American president also faces greater leadership challenges at home.

Still, the wider international system that was established after the Second World War has in many ways remained remarkably stable. On the political side, the United Nations remains a key instrument for coordination and legitimation. After the end of the Cold War this role has actually increased in importance, despite the lack of reform of the Security Council. On the economic side, the International Monetary Fund and the World Bank, despite periods of drift and uncertainty, have taken on new life with the West’s economic problems, particularly the international debt situation. On the trade side, GATT has been replaced by the stronger World Trade Organization. The current Doha Round has not been completed, at least in part a reflection of America’s reduced role, but the WTO dispute mechanism has proved of considerable consequence. This is one reason protectionism proved as limited as it did during the recent recession. A similar lack of leadership, and of conflict between the United States and China, is seen in the international environmental field. Here the results have been meager indeed. Traditional regional organizations such as NATO, the EU, and the Organization of Economic Cooperation and Development (OECD) have been replicated in weaker form in many different regions of the world, such as in the Association of South-East Asian nations (ASEAN) from 1967, the African Union (AU) that in 2002 replaced the Organization of African Unity, Asia-Pacific Economic Cooperation (APEC) from 1989, and many others.

Prominent scholars have suggested that even China will be incorporated into this wider Western-dominated international system. To some extent this has already happened through China’s membership in APEC and in WTO. China’s emphasis on rapid economic growth is bound to make it interested in rules and regulations that facilitate continued growth. In political matters the Chinese record is much more ambiguous. On the whole Beijing insists on the importance of national sovereignty. No one should interfere in the internal affairs of China, or any other state for that matter. Yet, in sensitive matters such as the situation in Burma, Sudan, Libya, etc., China has occasionally refrained from using its veto in the UN to stop further action. China has even shown some interest in Responsibility to Protect (R2P), although primarily by stressing the responsibility of the various states to handle matters in such a way that genocide, crimes against humanity, etc. are avoided. It should be added that several of the BRIC states (Brazil, Russia, India, China) have similarly insisted on the priority of national sovereignty, although not quite as unwaveringly as China. As we know, even the United States has refused to ratify some important international agreements, such as the Kyoto protocol and the International Criminal Court.
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The alternative scenario is that the rise of China is bound to create conflict and possibly even war. Since Thucydides, political science realists have insisted that the rise of one state and the fall another is bound to produce such an outcome. The story seems to have been repeated over and over again in European history. China’s rise implies that it should be the preeminent power at least in its own East Asian region. China’s objective is allegedly to ‘win without fighting.’ When this role is not favored either by most of the regional countries or by the United States conflict is likely to follow, although this may not necessarily be in the form of war. Even political science liberals, who tend to favor more optimistic scenarios, will have to admit that the differences between China and the West in their approaches to democracy and human rights are bound to produce tension.

No one can be certain how the rise of China will work itself out. The rise of one state and the fall of another do not have to lead to war, as seen by the rise of the United States and the fall of the United Kingdom since the late nineteenth century. China does have an obvious interest in peace as a precondition for its continued economic rise. China has given up its revolutionary political ideology and has adjusted to the international regime in many economic ways. The United States and China are also much further apart geographically than were the various European powers whose wars provide so much of the basis for realism.

It is becoming increasingly clear that while China is taking a stronger interest in the Western-dominated international system, Beijing is also insisting that the system be reformed: China should be given stronger influence; human rights should not be part of the international regime, etc. The outcome seems to be that while there is broad support for the basic principles of international economic exchange, anything that more politically transcends the sovereignty of the nation state is much more difficult to agree on. Yet, as long as Taiwan does not openly secede from China, war would seem to be a very unlikely outcome, although the situation particularly in the South and the East China Sea is increasingly worrisome. Through the huge American market for Chinese goods and China’s investments in the United States the two countries, one the leading creditor, the other the biggest debtor, are bound together in a state of mutual dependence.

History does not really repeat itself. And if it does, it is virtually impossible to find out what, among the hundreds of possible parallels, it is that repeats itself. Normally one simply picks the example in history most convenient for making whatever point one wants to make. Historians repeat themselves. That is less remarkable and underlines the need to end the book.

Conclusion: The Literature