

# The Post-American World

BY FAREED ZAKARIA

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What will distinguish the landscape in the New World and will the United States maintain its place of power in this new order? Dr. Fareed Zakaria, editor of Newsweek International, addresses this topic in his most recent book, “The Post-American World”. Through a review of Western history, he describes how the globe has experienced monumental shifts in economics, politics and culture as communication, technology, education as well as access to other resources has disproportionately been available to the West. But even while the United States is the global leader in many metrics, and will most likely remain so for decades, the United States’ relative position is changing. As other countries are embracing capitalism, Dr. Zakaria aptly describes a movement away from American dominance to diffusion of power; from anti Americanism to post American indifference, which he characterizes as “the Rise of the Rest” (Zakaria 2). The following statistics demonstrate this shifting of world power and the emergence of a truly global economy:

- In 2006 and 2007, 124 countries grew at a rate of more than 4%, poverty is falling in countries having 80% of the world’s population and emerging markets hold 75% of world foreign exchange reserves.
- Goldman Sachs has predicted that by 2040, China, India, Russia, Brazil and Mexico will together have a larger economic output than the seven Western nations that have dominated global affairs for centuries.
- The world’s largest buildings, largest factories, biggest movie industry and the biggest shopping malls are all outside the United States.  
(Zakaria 2, 3, 26)

## Causes of the Rise

- Relative Global Calmness – While advanced communication technology has provided instantaneous access to global disorder, statistics indicate and academia argues “that today we are probably living in the most peaceful time in our species’ existence” (Zakaria 9).
- Rise of Capitalism – Increasing demand created by rising nations is resulting in sustained economic booms, a rise in productivity, falling prices and low interest rates.
- Trumping of Politics and Culture by Economics and Modernity – As the world is drawing closer to modernity, traditionally called “western”, new emerging markets look through their own cultural lenses, seeking the benefits that the modern world has to offer.
- Demographics and Education – Nations are focused on educating and retaining their most intelligent, motivated, and creative citizens so they can compete in the global market. In addition, countries successful in retaining these individuals benefit from the aging of the global workforce.
- Spread of Technology – Improvements in communication, along with other technologies have “flattened” the systems of the world and facilitated

unprecedented economic growth. Technology has changed the following foundational economic assumptions; Labor and Capital are now commodities, replaced by Ideas and Energy.


The Challenger and The Ally

Dr. Zakaria focuses on China: The Challenger and India: The Ally to illustrate the Rise of the Rest. By referring to their economic, political and cultural history he describes how their unique attributes have and will affect their continued rise.

The Challenger - According to Dr. Zakaria, the factors that make China unique are: “it is the world’s largest country (population of 1.3 billion), fastest-growing major economy (9% growth rate over the last three decades, 20 of the fastest growing cities in the world are all in China), largest manufacturer, second-largest consumer, largest saver and (almost certainly) second-largest military spender” (Zakaria 89,92). In addition to this unprecedented growth, China has embraced the idea that the path to power is through markets not empires. Their use of diplomacy and “soft power” has garnered a favorable attitude from Asia and is now the second most important country in the world.

The Ally - With more billionaires than any other Asian country, India is the second fastest growing country after China with a population of 1.1 billion. According to Dr. Zakaria, India’s advantages are “a vast, growing economy, an attractive political democracy, a vibrant model of secularism and tolerance, a keen knowledge of East and West, and a special relationship with America” (Zakaria 165). India has a genuine private sector, democratic rule and English is spoken by most of the population. It also has a consumption rate of 67% of GDP; second only to the US at 70% (China’s rate is 42%). India is efficient in its use of capital since it is a scarce commodity. However, its growth has been from the bottom up which is “messy, chaotic and largely unplanned” (Zakaria 134).

Consequences of the Rise



Year	1900	1970's	1991+	Future - "The Rise of the Rest"
<b>System</b>	Multipolar	Bipolar Duopoly	Unipolar	"Uni-multipolarity" or what the Chinese call "many powers and one superpower"
<b>Governed By</b>	Collection of European Governments	Cold War Between the former Soviet Union and U.S.	U.S. dominance	U.S. as superpower with several other important great powers with significant assertiveness and proportion participation from all countries
<b>Characterized by</b>	Constantly shifting alliances, rivalries, miscalculations and wars	More stable in many ways, but with superpowers reacting and overreacting to each other's every move	American imperialism in which the global economy has expanded and accelerated dramatically	Hybrid international system- more democratic, dynamic, open, and connected

\*"Uni-multipolarity" was termed by Samuel Huntington (Zakaria 4, 43)

- A Post-American World – Anger about unilateral US decisions is now fading into global indifference. Developing nations are pursuing their own agendas.
- Diffusion of Power – We are moving from a unipolar world with the US as the uncontested leader to a world that has a diffused power base. The world is transitioning to a state of uni-multipolarity.
- Nation States – As the diffusion of power occurs it will stimulate the positioning of national agendas and the rise of nationalism within each developing state. This diffusion will require the US to focus on facilitating rather than dictating global policy.
- Growth of Global Value Pool/Accelerated Growth of Large Developing Nations – As new nations enter the open-market system two things are occurring simultaneously: 1) these nations are increasing the total pool of global value 2) they are doing so at such a quick rate that it is shifting the proportionate share of total global value to the largest developing nations (China and India) while reducing the developed nations (US, European Union, Japan) share of the remainder.

### American Opportunities

Higher Education, American's best industry.

- Eight of the top 10 universities in the world are in the United States.
- Thirty eight of the top 50 universities in the world are in the United States.
- America trains more high quality 4-year engineering graduates per capita than any other country.
- Indian universities graduate 35-50 Computer Science Ph.D.'s per year, while the US graduates 1000 Computer Science PH.D. students.
- “The quality of higher education in China and India remains extremely poor... despite the enormous demand for engineers, there are relatively few well-trained ones” (Zakaria 189,190).

### Economic Management

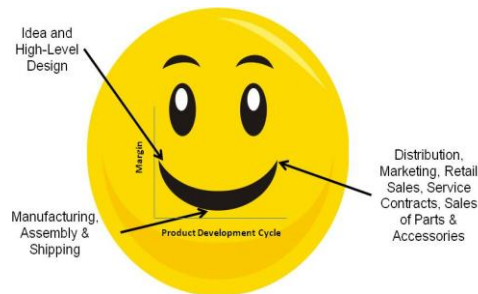
- Robust growth has pushed an old paradigm of Capital and Labor into a new paradigm of Ideas and Energy.
- “The Gulf states have made \$1 trillion in capital investment over the last five years, and McKinsey and Company estimates that they could invest another \$2 trillion over the next decade. This is a state-direct form of capitalism, which is likely to result in narrow development and unlikely to produce self-sustaining growth” (Zakaria 29-30).

The “Smiley Curve”, the U-Shape Smile

The following “Smiley Curve” is well known by Chinese manufacturers although most Americans have not heard of it. This curve illustrates the profit and development of a product from conception to sale. At the top left of the smile you start with the idea and design phase. At the bottom of the smile is the manufacturing and shipping phase. Then rising to the top right side of the smile are distribution, marketing, retail sales, service contracts, sales of parts and accessories phase.

When companies participate in activities at the top two ends of the smile they achieve higher profit margins. “In almost all manufacturing, China takes care of the bottom of the curve and America takes the top... which is where the money is” (Zakaria 186).

- “Outsourcing has strengthened American competitiveness” (Zakaria 186) by producing higher margins.
- “Chinese manufacturers, by contrast, have margins of a few percent on their products” (Zakaria 186).



#### Demographic Vibrancy

- Immigration – “US Population will increase by 65 million by 2030” (Zakaria 196).
- Europe’s population will remain stagnant and ratio of young to old will decline, no ability to assimilate.
- Asian countries are in worse shape; fertility rates below replacement level.
- Ideas come from young people.
- “Over the last 125 years America has been able to produce 25-30% of the worlds’ GDP with only 5% of its population” (Zakaria 41).

#### American Purpose (Zakaria 235-247)

In closing, Dr Zakaria proposes six operating principles to help the US navigate this period of change:

1. **Choose:** America cannot be involved in everything.
2. **Build broad rules, not narrow interests:** Create a structure of rules, practices and values by which the world is bound.
3. **Be Bismarck not Britain:** Have deep relationships with each player; stronger than they have with each other. Become a stabilizing influence.
4. **Order a la Carte (multilateralism):** Multiple organizations and new institutions are required to manage world events.
5. **Think asymmetrically:** Look for cooperative alternative solutions rather than unilateral responses.
6. **Legitimacy is power:** Set the agenda, define a crisis, and mobilize support and policies.

**Cited Work:** Zakaria, Fareed. The Post American World. New York: W.W.

Norton & Company Ltd., 2008.

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