

A New Nationalism

Of course, global growth is also responsible for some of the biggest problems in the world right now. It has produced tons of money—what businesspeople call liquidity—that moves around the world. The combination of low inflation and lots of cash has meant low interest rates, which in turn have made people act greedily and/or stupidly. So we have witnessed over the last two decades a series of bubbles—in East Asian countries, technology stocks, housing, subprime mortgages, and emerging market equities. Growth also explains one of the signature events of our times—soaring commodity prices. \$100 oil is just the tip of the barrel. Almost all commodities are at 200-year highs. Food, only a few decades ago in danger of price collapse, is now in the midst of a scary rise. None of this is due to dramatic fall-offs in supply. It is demand, growing global demand, that is fueling these prices. The effect of more and more people eating, drinking, washing, driving, and consuming will have seismic effects on the global system. These may be high-quality problems, but they are deep problems nonetheless.

The most immediate effect of global growth is the appearance of new economic powerhouses on the scene. It is an accident of history that for the last several centuries, the richest countries in the world have all been very small in terms of population. Denmark has 5.5 million people, the Netherlands has 16.6 million. The United States is the biggest of the bunch and has dominated the advanced industrial world. But the real giants—China, India, Brazil—have been sleeping, unable or unwilling to join the world of functioning economies. Now they are on the move and naturally, given their size, they will have a large footprint on the map of the future. Even if people in these countries remain relatively poor, as nations their total wealth will be massive. Or to put it another way, any number, no matter how small, when multiplied by 2.5 billion becomes a very big number. (2.5 billion is the population of China plus India.)

The rise of China and India is really just the most obvious manifestation of a rising world. In dozens of big countries, one can see the same set of forces at work—a growing economy, a resurgent society, a vibrant culture, and a rising sense of national pride. That pride can morph into something uglier. For me, this was vividly illustrated a few years ago when I was chatting with a young Chinese executive in an Internet café in Shanghai. He wore Western clothes, spoke fluent English, and was immersed in global pop culture. He was a product of globalization and spoke its language of bridge building and cosmopolitan values. At least, he did so until we began talking about Taiwan, Japan, and even the United States. (We did not discuss Tibet, but I'm sure had we done so, I could have added it to this list.) His responses were filled with passion, bellicosity, and intolerance. I felt as if I were in Germany in 1910, speaking to a young German professional, who would have been equally modern and yet also a staunch nationalist.

As current economic fortunes rise, so inevitably does nationalism. Imagine that your country has been poor and marginal for centuries. Finally, things turn around and it becomes a symbol of economic progress and success. You would be proud, and anxious that your people win recognition and respect throughout the world.

In many countries such nationalism arises from a pent-up frustration over having to accept an entirely Western, or American, narrative of world history—one in which they are miscast or remain bit players. Russians have long chafed over the manner in which Western countries remember World War II. The American narrative is one in which the United States and Britain heroically defeat the forces of fascism. The Normandy landings are the climactic highpoint of the war—the beginning of the end. The Russians point out, however, that in fact the entire Western front was a sideshow. Three quarters of all German forces were engaged on the Eastern front fighting Russian troops, and Germany suffered 70 percent of its casualties there. The Eastern front involved more land combat than all other theaters of World War II put together.

Such divergent national perspectives always existed. But today, thanks to the information revolution, they are amplified, echoed, and disseminated. Where once there were only the narratives laid out by The New York Times, Time, Newsweek, the BBC, and CNN, there are now dozens of indigenous networks and channels—from Al Jazeera to New Delhi's NDTV to Latin America's Telesur. The result is that the "rest" are now dissecting the assumptions and narratives of the West and providing alternative views. A young Chinese diplomat told me in 2006, "When you tell us that we support a dictatorship in Sudan to have access to its oil, what I want to say is, 'And how is that different from your support of a medieval monarchy in Saudi Arabia?' We see the hypocrisy, we just don't say anything—yet."

The fact that newly rising nations are more strongly asserting their ideas and interests is inevitable in a post-American world. This raises a conundrum—how to get a world of many actors to work together. The traditional mechanisms of international cooperation are fraying. The U.N. Security Council has as its permanent members the victors of a war that ended more than 60 years ago. The G8 does not include China, India or Brazil—the three fastest-growing large economies in the world—and yet claims to represent the movers and shakers of the world economy. By tradition, the IMF is always headed by a European and the World Bank by an American. This "tradition," like the segregated customs of an old country club, might be charming to an insider. But to the majority who live outside the West, it seems bigoted. Our challenge is this: Whether the problem is a trade dispute or a human rights tragedy like Darfur or climate change, the only solutions that will work are those involving many nations. But arriving at solutions when more countries and more non-governmental players are feeling empowered will be harder than ever.