



# Conclusion

Christophe Jaffrelot

Several events have occurred during the summer of 2008 that have confirmed the growing influence of emerging countries on the international scene. In the economic field, the WTO's ministerial meeting that took place last July was deadlocked over the agricultural issue. Some of the G20, lead by India, opposed any further liberalization of the agricultural trade as long as Western countries and in particular the United States refuse to revise their own protectionist agendas and to give up agricultural subsidies. Pascal Lamy, director of the WTO, was forced to admit that this impasse might prevent the finalization of the Doha round by the end of the year.

In terms of geostrategy, Russia's military intervention in South Ossetia and in Abkhazia reflected Moscow's intent to reassert itself on the international stage. The Russian troops entered Georgian territory, stopping only forty kilometres from Tbilissi. Moscow pretended to accept the European mediation and to comply with the plan proposed by the European Union. However, as long as the two provinces escape Georgian sovereignty (the Douma recognizing and supporting their claim to independence), international law is flouted. Moscow made it a point of principle to disregard its small neighbour's territorial sovereignty in order to demonstrate Russia's willingness to use force on the rest of the world, and the United States and Europe in particular.

Aside from hard power, the Beijing Games, during which for the first time in history China won more medals than the US, has shown that the Middle Kingdom successfully bent this sporting symbol of universalism to its nationalist project. Never before have the games been so imposing, or have so many world political heavyweights been invited to participate in the opening ceremony (and consequently express admiration for China), in effect allowing informal political meetings similar to those that take place in the corridors of the UN. China appeared sure of its increasing power and cultural standing in the eyes of the world, which it previously lacked: notwithstanding the Tibetan crisis, Beijing managed to put the



Olympic Games at the forefront of its strategy which we must recognize as one of soft power.

Despite these recent events, some uncertainties remain as to whether emerging countries can continue to progress on this path.

Although the rising power of emerging countries is in the process of radically altering the international stage, several uncertainties hover over the continuation of their ascent. From an economic standpoint, Imène Rahmouni in the preceding pages is confident that these countries have a capacity to overcome financial crises that in the past had hindered their development. But their growth is particularly unbalanced—as Pierre-Noël Giraud, Jean-François Huchet and Joël Ruet point out, noting that in China and India the gaps are widening between rich and poor, among regions and between urban and rural areas. Such tensions may lead to social unrest, even more so since other variables may hamper growth in the short run: the Euro-Atlantic recession may well penalize exports from countries that depend on them most, such as China, and the ageing of the population and its quest for relative comfort will weigh on public finances because of new demands for social protection (pensions, health care) and on the cost of labour, as wage increases in Asia and Eastern Europe already show; lastly, surging commodity, energy and raw material prices are likely to reduce average purchasing power and further widen the gulf between rich and poor.

This last issue echoes the fundamental question raised by Laurence Tubiana and Emmanuel Guérin in the final chapter of the book: is the development of emerging countries sustainable? These two authors emphasize the scale of the environmental constraints facing these countries due to the rapid increase in their CO<sub>2</sub> emissions. This is a challenge that concerns the rest of the planet just as much, since curbing climate change induced by greenhouse gas emissions is a priority for all of humanity.

The rising power of emerging countries recasts the world situation in other areas as well. First of all, the planet today is faced with new food security risks due to population growth, changes in dietary habits—particularly in emerging countries, where the middle classes are consuming more and differently than before—and lastly the stagnation in food crop production related especially to reduction in cultivated areas (due to rural depopulation and even more so to industrial exploitation of arable land). The contradiction that has arisen from the development of consumption and the stagnation in food-producing crops creates strong inflationary pressure on basic foods. Certain cereal grain prices have exploded: the price of rice and wheat doubled between March 2007 and March 2008. Beyond this effect on prices, the effect noted on food stocks is dramatic: cereal stocks have reached their lowest level in a quarter-century.

Secondly, consumption of raw materials is skyrocketing. Energy is a case in point. Even if oil consumption in rich countries has stabilized or even decreased



in recent years, consumption in emerging countries is rising rapidly. It has doubled in 20 years in Brazil, in 15 years in India, in ten years in China. Since production cannot meet demand, the price per barrel is on a constant upsurge. Other raw materials are undergoing a similar trend. With the emerging countries' strong appetite for steel, consumption of iron ore has risen from some 900 million tons in 2001—a level it had already reached ten years earlier—to about 1,300 million tons in 2005. Nickel consumption has leapt from less than 700,000 tons in 1993 to more than 1.3 million tons in 2004, China accounting for one-fifth of world consumption.

Not only do the imbalances thus created have an immediate impact on prices, they also reshuffle the cards of world trade, placing producer countries in a new position of strength, especially when there are few of them (Australia and Brazil together represent two-thirds of iron ore exports; Chile, Peru, Australia and Indonesia are in a similar position as regards copper, etc.). Some raw material producing countries are thus tempted to set up cartels resembling OPEC, even in the agricultural sector. For instance, Thailand, the world's largest rice exporter, has sought to convince Vietnam, the Philippines and Indonesia to form an organization of rice-producing countries.

Beyond that, the rise in the power of emerging countries in the medium term is in danger of hastening the moment when a certain number of natural resources will be depleted—raw materials, or commodities that require no industrial or agri-food processing such as products of the sea. Certain species of fish are already threatened with extinction due to overfishing practiced by some nations, including emerging countries.

All things considered, emerging countries have made extraordinary achievements and also represent an extraordinary challenge. They are proof that it is possible to overcome underdevelopment and achieve a certain degree of prosperity. But at the same time they are adopting lifestyles and following paths of industrialization and urbanization modelled on rich countries that consume huge amounts of raw materials and cause considerable environmental damage, which makes this path more precarious than it would seem, in any case at odds with a rationale of sustainable development. This is probably an additional factor of international instability, as competition for scarce resources—a category in which water must be included as well—may degenerate into open conflict.