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# POWER-SHIFTS IN THE GLOBAL ECONOMY. TRANSITION TOWARDS A MULTIPOLAR WORLD ORDER

Professor Ph.D. **Ion IGNAT**
"Alexandru Ioan Cuza" University of Iasi, Romania
ignation@uaic.ro

Ph.D. Student **Gimia-Virginia BUJANCĂ**
"Alexandru Ioan Cuza" University of Iasi, Romania
gimia_2006@yahoo.com

**Abstract:**

*The paper aims to analyze the new realities and trends related to the new polarity of the global economy, and thus the reconfiguration of global power centers, a process characterized by two simultaneous trends: the rise of new powers and the relative decline of traditional powers. At the beginning of 21st century, global power is suffering two major changes: on the one hand it manifests a transition from West to East, from Atlantic to the Asia-Pacific, and on the other hand, a diffusion from state to non-state actors. Current global economic power has a multipolar distribution, shared between the United States, European Union, Japan and BRICs, with no balance of power between these poles, opposed by the strong ambition of rising countries, China especially, China that rivals the traditional powers represented by the developed countries. The evolution of the main macroeconomic indicators given by the most important global organizations, shows a gradual transition towards a multipolar world. Therefore, the United States is and will remain for a long period of time the global economic leader. However, as China, India and Brazil are growing rapidly, and Russia is looking for lost status, the world is becoming multipolar.*

**Key words**: BRIC countries, economic power centers, European Union**,** multipolarity, United States

**JEL classification:** F02, O57, O11

## INTRODUCTION

The world of the early twenty-first century is a mixture of continuity and change. The position of the great economic powers in the global hierarchy suffers changes, so that besides the old power centers, new ones appear, willing to assert themselves and increasingly take part in more global decisions, which leads to the shaping of a hybrid global economic order of a polycentric system. Concerns about the global economy (as a global entity, which is becoming more integrated), returned to the present after the economic crisis of 2007. Moreover, in the context of a new architecture of power centers, correlated with structural and conceptual problems facing the European Union, and the relative decline of United States economic power, the concern for studying evolution of economic system has increased.

In this context, the choice of this theme is justified in terms of the importance and timeliness of the topic. Thus, at the beginning of the XXI century, world states experiencing economic, political, financial, demographic, geopolitical and geostrategic problems leading to profound changes in the international system, will influenced and affect the global power equation in the following decades. One of the most important changes in the multiplication of economic power centers is the transition to a polycentric system - the rise of new centers of economic strength (in 2010 China became the world's second largest economy, surpassing Japan and is on the verge of exceeding the U.S. in nominal terms, in the coming decades; India is strikingly manifesting as a global player; Russia reappears as a significant global player; and Brazil is the power pole of the South American Continent). Also apparent is an emphasis on competition between power centers for regional or global domination, to which is added a configuration of new power groups with marked impact on the dynamics of the economy and world politics (the BRICs). The global financial and economic crisis started in 2007 represents key event in the evolution of great economic powers, because due to it, the accumulation of big debts in most countries have questioned the political supremacy of the European Union, which after 2008 faces a crisis of the

Euro Area and its operating pattern. Another trend is represented by the manifestation of two contradictory realities: on the one hand, the emphasis is placed on political and economic integration, which means regionalization of the world economy, and on the other hand, the increase of globalization makes the problems and solutions concerning different economic subsystems to become rather global than national. According to some authors (Bonciu and Baicu, 2010; Minix and Hawlez, 1998: 4), this overlapping of integrative and disintegrative forces determines major global changes. It should be also noted the transfer of the economic, political and strategic center of gravity from Atlantic to the Asia-Pacific, due to the rise of the Asian tigers, Japan and China.

To ensure an overview of this changing world, the article will follow to present the new economic juncture from the beginning of 21st century. Thus, realities regarding the changes in the world economy related to the following: diffusion and transition of power and the rise of new economic growth poles versus the relative decline of the traditional powers. Also, the new role of emerging powers in the international system, the monopole of the Asia-Pacific Area, the current distribution of power and the future prospects regarding the place on the largest economic powers hierarchy is analysed. A special emphasis will be put on the idea of dynamics and continuous change in the relative position of countries and economic entities in the framework of hierarchies that depend on the criteria by which they are established.

In 2013, it appears that the world economy is becoming increasingly interconnected (for example the rising powers' important contribution to the recovery from the effects of the financial crisis), that the opportunities are equally many and more numerous than the challenges, that the future prospects are extremely important, and the changes in the global economy dynamic are more frequent and numerous.

## EVOLUTION OF THE MAIN ECONOMIC POWER CENTERS

In the global economy, national economies are distinguished as the dominant economic power centers. These are cores that concentrates the most important levers and means of decision. Through the channel of interdependencies, they transmit in the economy of dependent partners either spillover effects in the economic growth process (hence the name „economic growth poles"), or adverse effects of spreading the imbalances, the phenomena of crisis and recession (Ignat and Pralea, 2013: 46). Also, the centers of economic power are also the main forces who participate in international trade, and give to world economy a polarized character, dominating either globally or at the regional level.

The international economic system in the beginning of the XXI century is within a period of transition and readjustment caused by significant changes in the early 90s, followed by the events of 11 September 2001, and finally the global financial and economic crisis of 2007-2008 whose effects are still felt today.

Before the Second World War, there was a multipolar order in the which power was concentrated in a few major centers: England, France, Germany, Italy, Japanthe U.S. and the USSR. As can be seen in Figure 1, follows the US-USSR duopoly as a result of the Cold War. This duopoly was defined by socio-political, ideological, economic and military power criteria. China's economic recovery (after 1965) made the transition towards a tripolar szstem defined by similar criteria. Then, increasing the share of economic power and economic potential due to the the technical and productive capacity in the balance of power, has made the economic recovery of Western Europe, (has become the largest world market) and the "Japanese miracle" (that propelled Japan as a global economic power), lead to reconfiguration the global economic system into a pentagonal one (that dominated the economic literature of the '80s). There were 5 power centers at that time: the United States, Western Europe, the USSR, China and Japan. The implosion of the USSR and the communist regimes in the early 90s and the rise of S-E Asian countries (Brzezinski, 2006), gave birth to a multipolar economic system with 3 dominant global power centers - the U.S., EU and Japan, around which gravitated other 2 economic growth poles - China and India. Open global economy has expanded and accelerated spectacularly since the first years of 3rd millennium and this expansion led to the next change in the nature of international economic order: the relative decline (Nye, 2010) in the economic power of the U.S., EU and Japan and the accelerated economic power growth of the emerging markets - Brazil, Russia, India and China - a group called BRIC or BRICS (if it is included South Africa). In the 21st century, the national economic power is the one that prevails, leaving in the background the military power (Gelb, 2010). Thus, there is a gradually moving of international center of gravity from the developed countries to emerging economies, and the BRICs countries constitute the leaders platoon.

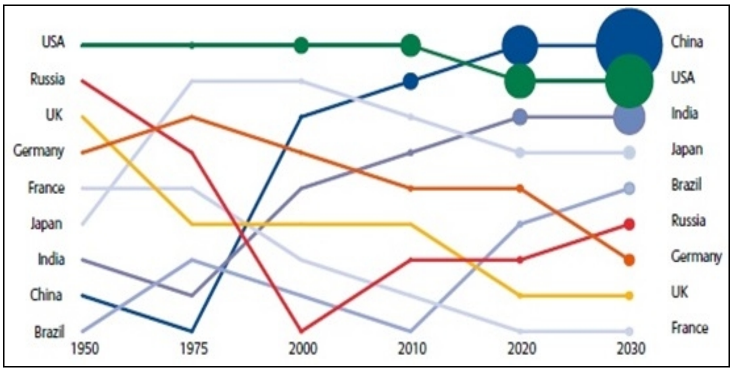


**Figure 1. The world's largest economies by GDP (adjusted for PPP)**
Source: *Asia on the move – gravitational centre of the 21st century?,* Allianz Global Investors Europe GmbH, May 2012, p.5, Available at www.allianzglobalinvestors.de/capitalmarketanalysis

Future trends announce a change at the top of the hierarchy, estimating that the U.S. economy will be overtaken by the Chinese economy in a shorter or longer time horizon. Although many economists, including Joseph Nye Jr. (2012: 177), argue that the design of long-term trends starting from the short-term events or based on fast growing power resources is a mistake (for example the decades ago opinions about the loss of the first place held by the U.S. in favor of Japan, given that the Japanese GDP per capita has surpassed the U.S. one); others interpret the global financial and economic crisis as a proof of the decline of U.S. and therefore a balance power transformation (Rachman, 2010); or as a foreshadowing of the global tectonic transformation (Roche, 2008: 11). Moreover, the 2010 IMF report (World Economic Outlook, 2010) emphasizes the idea that the crisis the power centers moved from developed countries to emerging ones. Conversely, other studies support the primacy of the U.S. (Brooks and Wohlfort, 2008), but having a more reduced domination (National Intelligence Council, 2012). Increasing importance is given to BRIC countries, which is expected to exceed OECD countries production by 2030 (O'Neill, 2010; Goldman Sachs, 2010). Also, these rising powers, require increasingly more global vision, but their ability to effectively lead globally is limited because it does not provide yet sufficient global public goods (Kappel, 2011) such as security, monetary arrangements, development aid, like the U.S., EU and Japan. However, we observe a growing international importance of the G-20 (founded in 1999 as a result of the Asian financial crisis), which shows that important decisions can no longer be taken into a limited circle, like that of the G-7 (later G-8) which brought together only the developed countries.

## PLACE OF MAJOR ECONOMIC POWERS IN THE GLOBAL HIERARCHY. REALITIES AND PERSPECTIVES

The period from the beginning of the 21st century until today has brought numerous and frequent changes in the hierarchy of the most powerful economies in the world, so that analyzing the macroeconomic indicators provided by the IMF World Bank, OECD and CIA reports, we can notice (Figure no. 2) that the U.S. have maintained the first position among the largest global economies, while Japan, ranked second in 2001, was surpassed by China - a growing power pole in the last 30 years. On the 6th position in 2001, China has surpassed France in 2005, Britain in 2006, Germany in 2007 and Japan in 2010, and became the second world economic power. It is also observed along the period considered 2001-2013, a rise of emerging markets correlated with a relative decline of developed countries. Thus, Brazil makes its appearance in the top 10 in 2005, ranked 10th, Russia in 2008 ranked 8th, and India in 2010 ranked 10th.

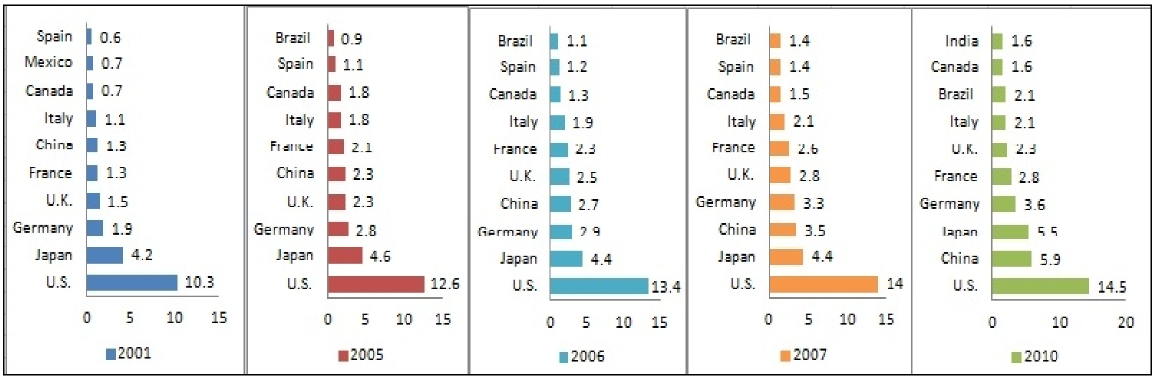


**Figure 2. Top 10 economic powers by nominal GDP in trillions of US dollars**

Source: author's presentation based on data from IMF and World Economic Outlook

**Table 1. Comparative analysis of the main economic power centers of the world (2012 data)**

| | U.S. | CHINA | JAPAN | INDIA | RUSSIA | BRAZIL | EU |
|---|---|---|---|---|---|---|---|
| 1. GDP (purchasing power parity) | $ 15.684 trillion (1st rank) | $ 12.405 trillion (2nd rank) | $ 4.627 trillion (4th rank) | $ 4.684 trillion (3rd rank) | $ 2.513 trillion (5th rank) | $ 2.355 trillion (7th rank) | $ 16.092 trillion (1 rank) |
| 2. GDP nominal | $ 15.684 trillion (1st rank) | $ 8.227 trillion (2nd rank) | $ 5.963 trillion (3rd rank) | $ 1.824 trillion (10th rank) | $ 2.021 trillion (8th rank) | $ 2.395 trillion (6th rank) | $ 16.584 trillion (1st rank) |
| 2. GDP real growth rate | 2.20% | 7.80% | 2% | 6.50% | 3.40% | 0.90% | -0.30% |
| 3. GDP per capita (PPP) | $ 50.700 (14th rank) | $ 9.300 (124th rank) | $ 36.900 (38th rank | $ 3.900 (168th rank) | $ 18.000 (77th rank) | $ 12.100 (106th rank) | $ 35.100 (41st rank) |
| 4. Gini index | 45 (41st rank) | 47.4 (29th rank) | 37.6 (76th rank) | 36.8 (78th rank) | 41.7 (52nd rank) | 51.9 (17th rank) | 30.7 (112nd rank) |
| 5. GDP composition by sector: | | | | | | | |
| 5.1. agriculture | 1.10% | 10.10% | 1.10% | 17% | 3.90% | 5.20% | 1.80% |
| 5.2. industry | 19.20% | 45.30% | 26% | 26% | 36% | 26.30% | 24.70% |
| 5.3. services | 79.70% | 44.60% | 72.50% | 57% | 60% | 68.50% | 73.40% |
| 6. Labor force | 155 million (4th rank) | 798.5 million (1st rank) | 65.55 million (9th rank) | 486.6 million (2nd rank) | 75.24 million (8th rank) | 106.3 million (6th rank) | 230 million (3rd rank) |
| 7. Unemployment rate | 8.10% | 6.50% | 4.40% | 8.50% | 5.70% | 5.50% | 10.30% |
| 8. Budget deficit % of GDP | -6.90% | -1.60% | -9.10% | -5.40% | 0% | 2.20% | - |
| 9. Public debt % of GDP | 72.50% | 31.70% | 213.40% | 59.60% | 7.70% | 58,8% | - |
| 10. External debt | $ 15.93 trillion (1st rank) | $ 770.8 billion (20th rank) | $ 3.024 trillion (6th rank) | $ 376.3 billion (29th rank) | $ 631.8 billion (22nd rank) | $ 428.3 billion (27th rank) | $ 15.5 trillion (2nd rank) |
| 11. Inflation rate (consumer prices) | 2,1% | 2,6% | 0,1% | 9,3% | 5,1% | 5,5% | 2,6% |
| 12. Exports | $ 1.564 trillion (3rd rank) | $ 2.057 trillion (2nd rank) | $ 773.9 billion (5th rank) | $ 298.4 billion (21st rank) | $ 592.6 billion (9th rank) | $ 242.6 billion (25th rank) | $ 2.170 trillion (1st rank) |
| 13. Imports | $ 2.299 trillion (2nd rank) | $ 1.735 trillion (3rd rank) | $ 830.6 billion (6th rank) | $ 500.4 billion (4th rank) | $ 334.7 billion (16th rank) | $ 223.2 billion (23rd rank) | $ 2.397 trillion (1st rank) |
| 14. Reserves of foreign exchange and gold | $ 150.2 billion (19th rank) | $ 3.341 trillion (1st rank) | $ 1.268 trillion (2nd rank) | $ 287.8 billion (11st rank) | $ 537.6 billion (5th rank) | $ 373.1 billion (8th rank) | $ 812.1 billion |
| 15. Stock of FDI at home | $ 2.723 trillion (1st rank) | $ 1.344 trillion (2nd rank) | $ 202.8 billion (25th rank) | $ 229.2 billion (23rh rank) | $ 502.5 billion (14th rank) | $ 609.4 billion (12nd rank) | - |
| 16. Stock of FDI abroad | $ 4.507 trillion (1st rank) | $ 502 billion (14th rank) | $ 1.049 trillion (6th rank) | $ 117.5 billion (28th rank) | $ 413.1 billion (16th rank) | $ 182 billion (25th rank) | - |

Source: author's presentation based on data from CIA World Factbook, https://www.cia.gov/library/publications/the-world-factbook/

According to data presented in Table 1, the The United States continue to be the global economic leader because their economic power is impressive: they have the highest GDP of $ 15.684 trillion, a GDP per capita of $ 50,700, which ranks 14th in the world (from 229 countries), the world share is 23% in 2000 (due to the effects of the 2007 financial and economic crisis), they are the 3rd largest exporter after EU and China, with a volume of $ 1.564 trillion and the 2nd importer in the world after EU, with a volume of $ 2.299 trillion. The U.S. hold the 19th position by currency and gold reserves, which amounts to $ 150.2 billion. In addition, the U.S. are the world's largest investor, with $ 4.507 billion, and also the States hold most stock of FDI at home, $ 2.732

billion. American economy not only attracts a large part of the capital placed safely by other states, but also a part of their "brains", given the GDP structure, where the services predominate with 79.7%, followed by the industry with 19.2 % and agriculture with only 1.1%, which is highly mechanized and benefitting from a high level of technology. For a long time, the U.S. have represented the financial center of the world, because the shareholders could find safe the American markets, but the financial crisis of 2007-2008 severely affected this level of economy, which subsequently led to the raise of London as the first financial center of the world. With the 4th global workforce after China, India and the EU, the U.S. unemployment rate rose to 8.1% in 2012 decreasing compared to previous years. The budget deficit rose to 6.9% of the GDP, total public debt became 72.5% of the GDP, with external debt totaling $ 15.93 billion. However, Niall Ferguson (2010, p.3) says that an increase in public debt can not erode the U.S. force, but can contribute to the weakening of trust in the U.S. ability to surpass any crisis. Inflation decreased from 3.8% in 2008 to 2.1% in 2012, while the real GDP growth rate followed an ascending trend from -0.3% in 2008 to 2.2% in 2012.

Considering European Union as the main structure of supranational integrationin the world economy, its economic power is the closest of the U.S. one, taking into account the share in global GNP. Total EU economy is slightly larger than the U.S., with a nominal GDP of $ 16.58 trillion and a GDP (PPP) of $ 16.09 trillion, has a 3rd labor force globally; by exports and imports EU ranks first in the world rankings being the first commercial power in the world. Besides that, EU is the largest market of the world, but per capita income is lower than in the U.S. as a result of integration of the poorest states in the East. One should not forget however, that the amounts that put the EU on the leading places are just arithmetic gatherings of totals coming from the Member States, and this makes sense as long as there is a consensus between its members. Basically, the EU economy is a sum of national economies, which are still reluctant to full integration, that concerns and the political side as well. Therefore, the EU often loses the competition with the U.S. economy, Japan or China. Considered as a whole, the EU has the capacity, technology, financial resources and population of a great power, but it lacks the consensus to follow this path. Despite the efforts like the Lisbon 2010 strategy, the EU fails to regain its dynamism and competitiveness (minimized by oversizing considered successful economic branches that have become nonperforming) and the position it once had in the world economy (Moagăr-Poladian 2010). Also, the European Commission (2013) estimates for 2013, shows that the EU economy is again in a phase of stagnation after the recession of 2012, due to the decrease in private consumption and the decrease in the real rate of productive investment. This stagnation is estimated to be followed by a moderate recovery in 2014. Other problems facing the EU in recent years are the lack of effectiveness of the socio-economic European pattern, the sovereign debt crisis, the relationship between public debt and GDP of the Member States, but also between the budget deficit and the GDP (both of which are at high levels).

In 2010, China overtakes Japan as world's 2nd biggest economy. Therefore, Japan becoming the 3rd largest economic power by the nominal GDP, which in 2012 amounted to $ 5.96 trillion, while the GDP in PPP was $ 4.62 trillion, ranked 4th in the global economy. Despite losing its 2nd place, Japan maintains its impressive power resources: with the GDP per capita, which is higher than both of the emerging countries: $ 36.200 compared to $ 9.100 for China and $ 3.900 for India; with its exports and imports according to which is ranked 5th and 6th (taking into consideration the EU); with currency and gold reserves, which are on the worldwide 2nd place, by holding a highly sophisticated industry, a highly skilled labor force and some areas where leads on technology and production skills. The GDP growth rate of 2% in 2012 rose compared to the period after 2007, the unemployment rate decreased to 4.4%, however, it is experiencing a high public and external debt and needs urgent financial restructuring.

The BRIC Group is a dynamic pole of the world economy both for the present and especially for the coming decades (Subacchi, 2008; Scholvin, 2010), demonstrated by an increase in its share of world production from 16% to 22% between 2000-2008 through out the recession, much better than the developed countries, and maintaine above average the economic growth rates

(Kappel, 2010), in contrast to those of the developed countries. A common vulnerability of the BRIC countries is the inflation rate, India being the most affected, while total public debt as percentage of GDP is higher in India and Brazil. Also, by the flows of services in global trade, the BRICs are set at a much lower value level than that of the flows of goods. In the period after the recent global economic crisis, BRICs have the economic growth based not only on traditional growth engines such as the exports and the FDI inflows, but especially on those additional engines such as the domestic demand growth (stimulated by the high level of transfers from the abroad), FDI outflows, innovation and infrastructure development. During the crisis, BRICs, and especially China and Russia, have strengthened their position as global investors. Also BRICs did not turn to austerity measures like the most developed countries, but to measures that boost the economy, because before the crisis they were in a moment considered by experts as the "most prosperous" for emerging economies (Quadros, 2008: 21).

China, the second largest economy in the world by GDP size, is a combination of factors that make it unique: it has the largest population in the world (1.3 billion people); the highest growth rate in the past years (about 10% in the first decade of 21st century, much higher than 3% of the U.S. or EU 2%); is the largest producer of consumer goods in 2010 (surpassing the U.S. who owned this position about 115 years); has the largest labor force (798.5 million); is the 2nd largest petroleum consumer after the U.S. and the largest energy consumer in the world. It also has the largest foreign currency reserve (the $ 3.341 billion) and in 2010 has climbed to 2nd place in the hierarchy of the largest world economies, taking the place of Japan with a nominal GDP of $ 8.227 trillion and a GDP (PPP) of $ 12.405 trillion, attracting most of the FDI flows after the U.S. Moreover, China is the 2nd largest exporter after EU and 3rd importer after the EU and the U.S.. However, the gap between China and other developed countries are seen in the GDP per capita (Batson, 2010) of only $ 9.300, which ranks it at the 124th position, at a great distance from both Japan, which surpassed it in terms of GDP nominal, and from Russia and Brazil. China quickly had recovered after effects of economic crisis of 2007-2008, and Goldman Sachs (2010) and Jacques Martin (2009) provide that the total size of the Chinese economy will surpass the U.S. in 2027. China is still far behind the U.S. at the economic level, having to focus on internal development and maintain high growth rates, which require a rise in investment and consumption. If the economy would slow down and inflation would increase, the unemployment would also increase, thereby fueling political tensions and threatening social stability. Probably in terms of total GDP, China will reach and surpass the U.S. in the future, but its economy will be comparable to the U.S. just in terms of size, but not in composition. China will face many problems like: the development gap between regions and the integration of labor force from far away coastal provinces, an aging population as a result of the policy "a couple, one child", and investment restriction. Also, the rates of saving are higher and thus the demand is lower. China must face the lack of transparency in the economy and must eliminate the corrupt and inefficient public enterprises.

India ranks 3rd in terms of population, holds the 2nd place in the labor force, is the 3rd economy in the world by GDP at PPP of $ 4.68 trillion in 2012, the 10th economy by nominal GDP ($ 1.82 trillion) and the strong growth economic over the period 2001-2010 is especially due to the development of services industry which contributes with 56.5% to GDP, and thus the expansion of services has led to increasing their exports. Mostly, India remains a poor country with a per capita income of only $ 3.900, the lowest of the major economic powers. During the last years it has achieved an impressive annual growth rate peaking at 11% in 2010. Clearly, the Indian economy, with its great educated and Anglophone middle class, is in the take-off phase. If China is the "world's factory", India is the "world’s office" and generally offices offer more long-term stability than factories, says David Smick (2009: 157). While the Chinese model depends on external variables unpredictable and impossible to control entirely - exports and inflows of foreign direct investment in technology, India benefits from an economy mostly supported by domestic demand, albeit with capital inflows for shorter term. In addition, India operates under the rule of Anglo-Saxon law, relatively constant, even if not perfect for foreign investors, but remains in sharp contrast to the legal situation of China’s lacks of transparency, if not absent one. In the recent years, the Indian government has focused on the internal market characterized by a high absorption capacity, determined by the the large number of population, expanding middle class, gradual modernization of infrastructure, and remittances from Indian citizens abroad. Purchasing power is eroded by inflation, in 2012 the inflation rate increased to 9.3%, being among the highest in the emerging economies.

Russia is ranked the 8th largest economy by nominal GDP with $ 2.08 trillion, and the 5th by GDP at PPP with $ 2.52 trillion in 2012. Also, it is ranked among the 5 largest reserves value; has the high GDP per capita of the BRIC countries ($ 18,000); has the 8th global labor force; but the economy depends significantly on petroleum and natural gas exports, thus after the total exports Russia classifying on 8th place long before India and Brazil. Russia is characterized by the presence of large disturbances in nominal and real economy (Dumitrescu, 2006), a mingling of the financial capital with the state apparatus, barriers which limit FDIs, uneven development of regions and corruption and tax avoidance, which overall affect the evolution of economic and social.

Brazil is the 6th largest economy by nominal GDP and 7th after GDP at PPP, per capita income is $ 12.100, less than Russia, but 3 times larger than that of India, and also has the largest currency reserves. The country is facing serious problems, such as inadequate infrastructure, burdened legal system, corruption, high productivity growth is slow, poverty and inequality also being present. During the economic crisis, the Government has focused on the internal market that has a high absorption capacity. Robust domestic consumption was boosted by a low unemployment rate of 5.5% and growing real wages, and it is considered one of the main engines of economic growth over the past years, alongside agricultural exports (Brazil being an agricultural superpower).

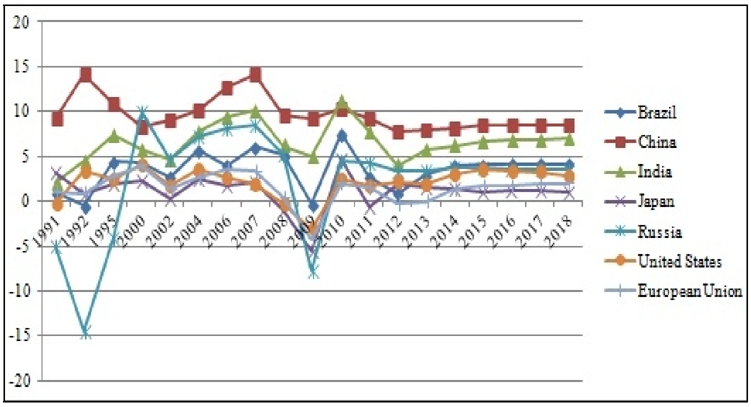


**Figure 3. The evolution of real GDP growth (annual percent change) for the main economic power centers of the world**

Source: author's presentation based on data from IMF, http://www.imf.org/external/datamapper/index.php

The first two things that are said about the U.S. economy nowadays are: first, the main advantage is exactly the innovative capacity and entrepreneurial spirit of citizens, and the second is that the American economy functions as a "barometer" for the world economy - entirely term crisis confirmed by the economic crisis since 2007-2008. Thus, as illustrated in Figure 3, between 2007 and 2011, the year 2009 marks a negative trend, seeing a reduction in the rhythms of economic growth in almost all countries, but especially in the developed ones. Russia and Brazil have quickly passed over the episode of recession since 2009, while China and India have continued to register high growth rates. However, 2012 marks a slowdown in GDP growth in all four emerging powers, which demonstrates that these countries could not decouple from the global economy (Oehler-Since, 2013: 13), but rather have been affected by the unfavorable economic situation from USA and EU (especially the Euro Area). Moreover, China's economic slowdown negatively affected Brazil, Russia and India, because it is the largest commercial partner for these countries after the EU.

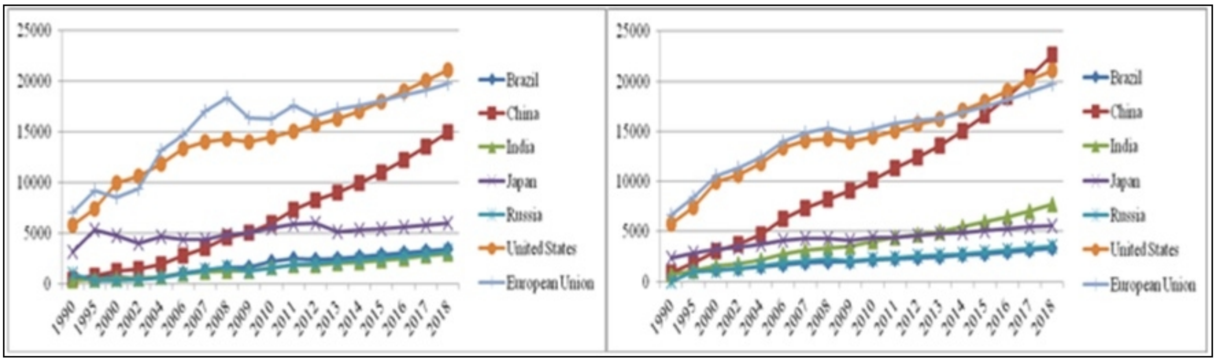


**Figure 4. Nominal GDP trend (Billions of U.S. dollars) and GDP based on PPP trend (Billions of current international dollars) for the main economic power centers of the world**

Source: author's presentation based on data from IMF, http://www.imf.org/external/datamapper/index.php

As shown in Figure 4, the tendencies in the evolution of nominal GDP shows that the U.S. will continue to maintain the first position among the globally most powerful national economies in the next decade, and might even surpass the EU which is the largest world producer, with a GDP less over the U.S.. On the other hand, it can be seen, according to the graphs above, that China's rising is fulminat especially in terms of nominal GDP growth, which has registered an increase from about $ 2 billion in 2000, to more than $ 8 billion in 2012, but also in terms of GDP at PPP, from about $ 3,000 to $ 14.400 in 2012. In terms of GDP at PPP, IMF predicts an inversion of the first two top positions, by overcoming the U.S. by the Chinese economy in the next 5 years, but not in terms of nominal GDP in U.S. dollars. The linear projections of China's future economic growth trends, until overtake the U.S., can be misleading, given the fact that countries that benefit from imported technologies in the early stages of economic development maintain high growth rates which are getting smaller by approaching to the higher stages of development determined by a GDP per capita of more than $ 10.000.

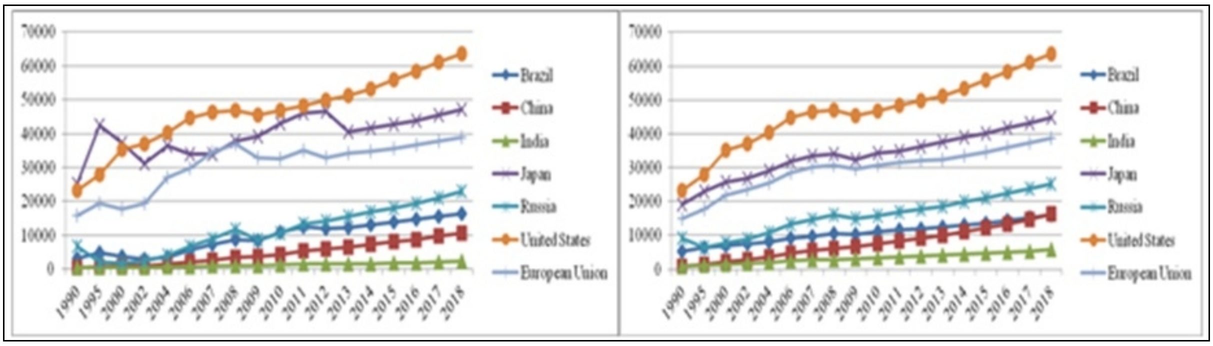


**Figure 5. Nominal GDP per capita trend (U.S. dollars per capita) and GDP based on PPP per capita trend (Current international dollars per capita) for the main economic power centers of the world**

Source: author's presentation based on data from IMF, http://www.imf.org/external/datamapper/index.php

Another important aspect in the evolution of growth rates for the major power centers is the GDP per capita shown in Figure 5, which is clearly much higher in developed countries than in the emerging rising powers, but for both categories of countries these rates are seen growing in the analyzed period.

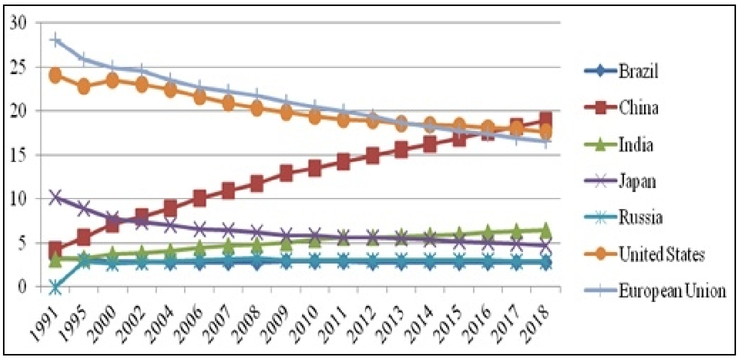


**Figure 6. The evolution of GDP (PPP) share for the main economic power centers of the world**
Source: author's presentation based on data from IMF, http://www.imf.org/external/datamapper/index.php

Economic balance of power between the top largest economies in the world, also can be observed in the percentage contribution of each state to global gross product over time. Thus, as illustrated in Figure 6, the European Union owns the first position with a share of about 20%, the U.S. contributes with 19%, China with 15%, India with 5.6%, Japan with 5.5%, Russia with 3% and Brazil with 2.8 %. Developments during the early 21st century, show a reduction in the share percentage of the developed countries, together with an increase in the share of the emerging powers led by China. IMF estimate a change at the top of this hierarchy, determined by China's transition on the first place, before EU and USA, after 2017-2018. As a result of sustained growth rates in the period before the economic crisis, the share of BRIC countries in the world gross product expressed in PPP, has increased from 16% in 2000 to 22% in 2008. The production process is no longer carried in the U.S., but in developing countries, transforming the U.S. into an economy based on services. Asian manufacturing must be regarded, according to Fareed Zakaria (2009: 168) and in the context of a global economy, like important links in the supply chain, but however, these countries (like China) are only some links. Traditional power maintains the advantage over their competitors through the education in science and technology, thus U.S. investment in research and development are more consistent than in the EU, amounting to 2.8% of GDP, compared with 2% in Europe (in Japan there are 3.4% of GDP).

## CONCLUSIONS

The world becomes multipolar as a result of the increasing role of the emergent BRIC countries, especially China's role, and a continuous transfer of economic power from Atlantic to Asia-Pacific. This is the new center of gravity of the world's economy, represented especially by APEC, which includes most of the major economies in the world (USA, China, Japan, Russia). On the Asian continent, the center of gravity has moved, similarly, from Japan to China and India. The rise of new poles power will change the global dominance of the largest OECD economies, and will result toward a shift in competitiveness, global governance and international relations.

Moreover, the trend toward a multipolar world configuration is demonstrated by several changes with an worldwide impact. Firstly, there is the transition from G7/G8 to G20 (which includes developed and emerging countries) and also raising global importance of this Group as a forum for discussing the issues with global impact. In the same context, one can see the increasing share of the BRIC countries in the global economy, which have become the main source of economic growth at the global level and therefore, a decisional factor in the Group G20.

In conclusion, the U.S. remain the most significant actor in the economic, technological and military terms, the only global superpower, but its relative power will decrease in relation to the new developments of BRIC countries, as emerging power poles. The emerging powers are no longer spectators, but rather protagonists of the changing world order. However, it must not be forgotten the fact that this shift must be accompanied by their commitment in order to be prove effective.

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