

# 2010

## THE SHIFTING BALANCE OF GLOBAL POWER

The fall of the USSR in 1991 left the USA as the sole superpower, its economic, military and ideological dominance apparently unchallenged. Yet by 2010 the USA was faced with the reality of relative decline compared with emerging world economies such as Brazil, India and, especially, China, which became the world's second largest economy in 2010.

The end of the Cold War created new problems of its own. Soviet hegemony had suppressed ethnic tensions in the Balkans and the Caucasus: these now flared up in terrorism, war, ethnic cleansing and genocide. Worst affected was Yugoslavia, a federation of over half a dozen ethnic and religious groups. Only its independent-minded Communist government and fear of Soviet intervention had kept the country together. After the fall of the USSR, Yugoslavia quickly dissolved in a complex series of bloody civil wars. Czechoslovakia's two ethnic groups peacefully split the country into Czech and Slovak republics. Eastern European countries queued up to join NATO and the European Union, seeing this as the best guarantee of their independence and future prosperity.

The Russian economy struggled to make the transition to free-market capitalism. State assets fell into the hands of a small class of super-rich 'oligarchs' while most people's living standards fell. Democracy failed to take root and the Russian government became increasingly authoritarian. Exports of gas to Europe and China increased Russian government income in the early 21st century, underpinning a more assertive foreign policy. Threats to Ukraine's gas supply were used to discourage it from pursuing pro-Western policies. Russia's invasion of Georgia, which had applied to join NATO in 2008, was a warning to NATO not to expand into what Russia considered its own sphere of influence. Africa's last white regime fell in 1994 following the repeal of apartheid in South Africa and the introduction of majority rule under the recently freed Nelson Mandela.

