



Global Trends 2025

Executive summary

The National Intelligence Council's (NIC) 2025 Global Trends report deals with how key global trends might develop over the next 15 years to influence world events. It contains a range of possibilities and potential discontinuities, amongst others in the form of four global scenarios and 2025 Global Landscape 'certainties' and 'uncertainties'. An overview of the report is provided with content highlights, extracts from the 2025 Global Landscape and selected commentary about sub-Saharan Africa.

Introduction

In November 2008 the National Intelligence Council (NIC) released its 4th unclassified Global Trends report, *Global Trends 2025: A Transformed World*¹⁾, which takes a long-term view of the future. The NIC is the US Intelligence Community's²⁾ centre for mid and long-term strategic thinking. Its mission statement proclaims that NIC members should provide government leaders with the 'best, unvarnished, and unbiased information' they can. The NIC is also tasked with 'reaching out to nongovernment experts in academia and the private sector to broaden the Intelligence Community's perspective' and also 'engages with outside experts to tap their knowledge and insights'. Newly elected President Obama has been briefed on the report, and it thus has potential significance in aligning viewpoints on key themes of future US foreign policy and strategy. For these reasons the Global Trends series are valuable tools for future planning.

The 2008 report looks at how key global trends might develop over the next 15 years to influence world events. The NIC emphasises that the report is not an exercise in prediction and that they are cognisant of many possible futures. Hence, they offer a range of possibilities and potential discontinuities, amongst others in the form of four global scenarios and 2025 Global Landscape 'certainties' and 'uncertainties'. This *Strategy Insights* provides an overview of the report; focussing on its main themes, extracts from the 2025 Global Landscape and selected commentary dealing with sub-Saharan Africa.

Main themes

Global Trends 2025 contains seven chapters dealing with the following themes:

1. The Globalising Economy (growing middle class, global imbalances, multiple financial nodes, diverging development models).
2. The Demographics of Discord (population growth, decline and diversification, as well as youth bulges, pensioner booms, migration, urbanisation).
3. The New Players (China, India, other key players and up-and-coming powers).
4. Scarcity in the Midst of Plenty (the geopolitics of energy, dawning of a post-petroleum age, water and food security and climate change).
5. Growing Potential for Conflict ('arc of instability', growing risk of nuclear arms race in the Middle East, new conflicts over resources).

¹⁾ A complete copy of the report can be downloaded from the NIC website: http://www.dni.gov/nic/NIC_2025_project.html.

²⁾ The US Intelligence Community consists of various organisations, some more well-known than others, e.g. Central Intelligence Agency (CIA), Defence Intelligence Agency (DIA), National Security Agency (NSA), etc.

6. Will the International System Be Up to the Challenges? (multi-polarity, multilateralism, a world of networks).
7. Power-sharing in a Multi-polar World (US leadership role, new relationships and old partnerships, less financial margin of error, limited military superiority).

Some of the primary considerations in the report are that

- the whole international system, as constructed after WWII, will be revolutionised. Not only will new players – Brazil, Russia, India and China – have a seat at the international high table; but they will bring new stakes and rules of the game;
- the unprecedented transfer of wealth, roughly from West to East, now under way will continue for the foreseeable future;
- unprecedented economic growth, coupled with 1.5b more people, will put pressure on resources, particularly energy, food and water, raising the spectre of scarcities emerging as demand outstrips supply; and
- the potential for conflict will increase owing, partly, to political turbulence in parts of the greater Middle East.

When comparing *Global Trends 2025* with its predecessor, *Mapping the Global Future: Report of the Intelligence Council's 2020 Project* which was published in 2003, it is interesting to note the following differences and similarities:

2020 Project (published in 2003)	Global Trends 2025 (published in 2008)
<ul style="list-style-type: none"> • Projected probable strong global economic growth fuelled by the rise of Brazil, Russia, India and China. • Projected continued US dominance and surmised that major powers had relinquished attempts at balancing US dominance. • Energy supplies 'in the ground' considered sufficient to meet global demand. Uncertainties about political instability in producer countries that might negatively affect international oil markets. Mentioned global increase in energy consumption, but emphasised continued domination of fossil fuels. • Acknowledged that energy demands will influence superpower relations. 	<ul style="list-style-type: none"> • Projects probable strong global economic growth, but assesses the likelihood of major discontinuities as high. • Assumes a multi-polar future and therefore dramatic changes in the international system. The US plays a prominent role in global events, but is one among many global actors who manage problems. • Views the world as in the midst of a transition to cleaner fuels. New technologies seen to have the capability for fossil fuel substitutes and solutions to water and food scarcity. • Considers energy scarcity as a driving factor in geopolitics.

The 2025 Global Landscape (NIC, 2008:iv-v)

The Global Landscape section consists of two tables (replicated below) with the first juxtaposing relative certainties and their likely impacts, whereas the second contains key uncertainties and their corresponding potential consequences.

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| <ul style="list-style-type: none"> • The unprecedented shift in relative wealth and economic power roughly from West to East now under way will continue. • The US will remain the single most powerful country but will be less dominant. | <ul style="list-style-type: none"> • As some countries become more invested in their economic well-being, incentives toward geopolitical stability could increase. But, the transfer is strengthening states like Russia that want to challenge the Western order. • Shrinking economic and military capabilities could force the US into a difficult set of tradeoffs between domestic versus foreign policy priorities. |
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- Continued economic growth, coupled with 1.2b more people by 2025, will put pressure on energy, food, and water resources.
- The number of countries with youthful populations in the 'arc of instability'³⁾ will decrease, but the populations of several youth-bulge states are projected to remain on rapid growth trajectories.
- The potential for conflict will increase owing to rapid changes in parts of the greater Middle East and the spread of lethal capabilities.
- Terrorism is unlikely to disappear by 2025, but its appeal could lessen if economic growth continues in the Middle East and youth unemployment is reduced. For those terrorists that are active the diffusion of technologies will put dangerous capabilities within their reach.
- The pace of technological innovation will be key to outcomes during this period. All current technologies are inadequate for replacing traditional energy architecture on the scale needed.
- Unless employment conditions change dramatically in parlous youth-bulge states - Afghanistan, Nigeria, Pakistan and Yemen - these countries will remain prone to continued instability and state failure.
- The need for the US to act as regional balancer in the Middle East will increase, although other outside powers, Russia, China & India, will play greater roles than currently.
- Opportunities for mass-casualty terrorist attacks using chemical, biological, or less likely, nuclear weapons will increase as technology diffuses and nuclear power (and possibly weapons) programmes expand. The practical and psychological consequences of such attacks will intensify in an increasingly globalised world.

Key uncertainties	Potential consequences
<ul style="list-style-type: none"> • Whether an energy transition away from oil and gas, supported by improved energy storage, biofuels and clean coal is completed during the 2025 time frame • How quickly climate change occurs and the locations where its impact is most pronounced. • Whether mercantilism stages a comeback and global markets recede. • Whether advances toward democracy occur in China and Russia. • Whether the greater Middle East becomes more stable, especially whether Iraq stabilises, and whether the Arab-Israeli conflict is resolved peacefully. • Whether Europe and Japan overcome economic and social challenges caused or compounded by demography. • Whether global powers work with multilateral institutions to adapt their structure and performance to the transformed geopolitical landscape. 	<ul style="list-style-type: none"> • With high oil and gas prices, major exporters, eg, Russia and Iran, will substantially augment their levels of national power, with Russia's GDP potentially approaching that of the UK and France. A sustained plunge in prices, perhaps underpinned by a fundamental switch to new energy sources, could trigger a long-term decline for producers as global and regional players. • Climate change is likely to exacerbate resource scarcities, particularly water scarcities. • Descending into a world of resource nationalism increases the risk of great power confrontations. • Political pluralism seems less likely in Russia in the absence of economic diversification. A growing middle class increases the chances of political liberalisation and potentially greater nationalism in China. • Turbulence is likely to increase under most scenarios. Revival of economic growth, a more prosperous Iraq, and an Israeli- Palestinian resolution could engender some stability as the region deals with a stronger Iran and a global transition away from oil and gas. • Successful integration of Muslim minorities in Europe could enlarge the productive work forces and avert social crises. Lack of efforts by Europe and Japan to mitigate demographic challenges could lead to long-term declines. • Emerging powers show ambivalence toward global institutions, e.g., the UN and IMF, but this could change as they become bigger players on the global stage. Traditional alliances will weaken.

³⁾ Countries with youthful age structures and rapidly growing populations mark a crescent or 'arc of instability' stretching from the Andean region of Latin America across Sub-Saharan Africa, the Middle East and the Caucasus, and through the northern parts of South Asia.

Scenarios

The four scenarios in *Global Trends 2025* address the future of globalisation, the future structure of the international system and highlight the new challenges that could emerge as a result of the ongoing global transformation. As a set they do not cover all possible futures, but describe four possible alternative futures that could result from the trends discussed in the report.

In constructing the scenarios, the NIC authors focused on critical uncertainties regarding the relative importance of the nation-state as opposed to non-state actors. In some of the scenarios, states are more dominant and drive global dynamics; in others, non-state actors, including religious movements, nongovernmental organisations, and super-empowered individuals play more important roles. In some of the scenarios, key players interact in competing groups, through partnerships and cross-border affiliations. Other scenarios envision more interaction as autonomous players operate independently and sometimes come into conflict with one another. The report's summarised scenarios (NIC, 2008:4) follow below:

- **A World Without the West.** This world, described in a fictitious letter from a future head of the Shanghai Cooperation Organization (SCO), sees new powers supplanting the West as world leaders. An overburdened US withdraws from Central Asia, including Afghanistan; Europe does not step up to take the lead. Russia, China, and others are forced to deal with the potential spill-over and instability in Central Asia. The SCO gains ascendance while NATO's status declines. Anti-China antagonism in the US and Europe reaches a high; protectionist trade barriers are put into place. Russia and China enter a marriage of convenience; other countries, eg, India and Iran, rally around them. The lack of any stable bloc, in the Western or non-Western world, adds to growing instability and disorder, potentially threatening globalisation.
- **October Surprise.** This world, depicted in a diary entry of a future US president, shows many countries have been preoccupied with achieving economic growth at the expense of safeguarding the environment. The scientific community has not been able to issue specific warnings, but worries increase that a tipping point has been reached in which climate change has accelerated with very destructive possible impacts. New York City is hit by a major hurricane linked to global climate change; the NY Stock Exchange is severely damaged and, faced with such destruction, world leaders must start thinking about taking drastic measures, such as relocating parts of coastal cities.
- **BRICs' Bust-up.** In this world, conflict breaks out between China and India over access to vital resources. Outside powers intervene before the conflict escalates and expands into a global conflagration. The clash is triggered by Chinese suspicion of efforts by others to threaten Beijing's energy supplies. Misperceptions and miscalculations lead to the clash. The scenario highlights the importance of energy and other resources to continued growth and development as a great power. It shows the extent to which conflict in a multi-polar world is just as likely to occur between rising states as between older and newer powers.
- **Politics is Not Always Local.** In this world, outlined in an article by a fictitious *Financial Times* reporter, various non-state networks – NGOs, religious groups, business leaders, and local activists – combine to set the international agenda on the environment and use their clout to elect the UN Secretary General. The global political coalition of non-state actors plays a crucial role in securing a new world-wide climate change agreement. In this connected world of digital communications, growing middle classes, and transnational interest groups, politics is no longer local and domestic and international agendas become increasingly interchangeable.

Sub-Saharan Africa

According to *Global Trends 2025*, sub-Saharan Africa will remain the region most vulnerable to economic disruption, population stresses, civil conflict and political instability. Despite increased global demand for commodities supplied by sub-Saharan Africa, local populations are unlikely to experience significant economic gain. Windfalls from sustained increases in commodity prices might entrench corrupt or otherwise ill-equipped governments in some regions, diminishing

prospects for democratic and market-based reforms. 'Poor economic policies – rooted in patrimonial interests and incomplete economic reform – will likely exacerbate ethnic and religious divides as well as crime and corruption in many countries. Ruling elites are likely to continue to accrue greater income and wealth, while poverty will persist or worsen in rural areas and sprawling urban centres. The divide between elite and non-elite populations is likely to widen, reinforcing conditions that could generate divisive political and religious extremism' (NIC, 2008: 56).

Sub-Saharan Africa will also be adversely affected by climate change which is expected to exacerbate resource scarcities. Although the impact of climate change will vary by region, a number of regions will begin to suffer harmful effects, particularly water scarcity and loss of agricultural production. Regional differences in agricultural production are likely to become more pronounced over time with declines disproportionately concentrated in developing countries, particularly those in sub-Saharan Africa.

Conclusion

The report has not been positioned in any way as predictive, and as noted in the foreword by the NIC Chairman Thomas Fingar, little of what is in the report is 'inevitable or immutable', and any notion of determinism should be avoided. He states:

'If you like where events seem to be headed, you may want to take timely action to preserve their positive trajectory. If you do not like where they appear to be going, you will have to develop and implement policies to change their trajectory.'

The future is, to a considerable extent, in our own hands.

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