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Scanning the future

American and European perspectives

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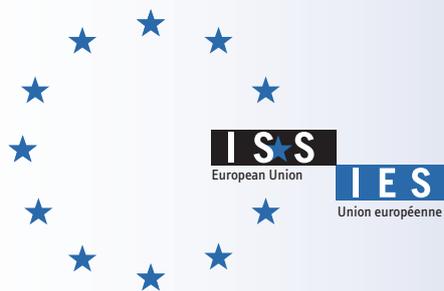
The US National Intelligence Council (NIC) has released in November 2008 the report *Global Trends 2025: A Transformed World (GT 2025)*. The fundamental message of the *GT 2025* is that unprecedented change – ‘one of those great historical turning points’ – is ahead, altering the relative power of both state and non-state actors. While stressing that no single outcome of the ongoing transformation process is pre-ordained, *GT 2025* envisages that the international system will likely be more heterogeneous, fragmented and potentially conflict-prone than today. Crucially, the gap between increasing disorder and weakening governance structures may be widening. The main features of this im-

portant American perspective on long-term trends and their political implications are reviewed here with reference to both the 2004 NIC report *Mapping the Global Future 2020 (MGF 2020)* and the 2006 EUISS report *The New Global Puzzle. What World for the EU in 2025? (NGP 2025)*.

Highlights of the *Global Trends 2025*

- The main novelty of *GT 2025* in comparison to the earlier *MGF 2020*, is the recognition that **in 2025 the world will be multipolar**, with the power shift from the West to the East paralleled by the growing

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relevance of non-state actors. Three main consequences follow on from this basic finding. First, the US will remain by all standards the most powerful country in the world but will only be *primus inter pares*. Second, the US's room for manoeuvre will be more constrained both militarily and economically and, therefore, politically. At the same time, however, more countries may need to rely upon the US as an external balancer in the face of the emergence of regional heavyweights or even new nuclear powers. Besides, the growing power of countries such as China, India and perhaps Russia will not necessarily result in their willingness to take on more responsibilities for dealing with common challenges such as terrorism or proliferation. This would in turn aggravate the envisaged global governance deficit.

- The report stresses that **the emerging international system will not only be multipolar but also more heterogeneous**. This is not only due to the proliferation of non-state actors, whether agents or spoilers of globalisation, but also to the different features and priorities of major state actors. Rising powers benefit from a functioning international system but are unlikely to simply adopt Western norms and development models. Instead, they will 'customise' their economic policies so that they fit with their distinctive priorities and domestic context. The distinction between the state and the private sector is blurred in many of the emerging countries, with 'state capitalism' gaining strength at the global level. Investments by Sovereign Wealth Funds, state-led industrial policies and the expansion of state-owned enterprises and national energy companies are key indicators of this broader trend. However, it remains questionable whether the state-centric development model can truly represent an alternative to the free market and democracy over time. In terms of policy priorities, China's and India's focus on development and poverty reduction and Russia's reliance on oil and gas exports may weaken the engagement of these crucial countries in common efforts to address climate change.
- The interrelated questions of **energy, climate change and resource scarcity** feature much more prominently in this report than in *MGF 2020* in three main respects. First, the *GT 2025* devotes much attention to the geopolitical implications of ever-growing demand for fossil fuels and of fluctuating oil and gas prices. The important point is made that energy resources will be increasingly concentrated in a handful of countries, notably in the Gulf and Russia, whose political influence and contractual power will consequently expand. Competition for energy resources, including among China and India as well as the Western powers, will produce new alignments in the Middle East, Central Asia and Africa, and may lead to dangerous tensions. Second, while the report hints at the possibility of a transition towards a more sustainable energy mix and model of consumption by 2025, it acknowledges that the pace of such transition will be slow and that the foreseen environmental damage induced by past CO₂ emissions, let alone future ones, is irreversible. Third, among other deleterious effects, climate change is expected to

exacerbate resource scarcity, in particular when it comes to food and water, while demographic growth is expected to remain strong in particularly exposed regions such as the Middle East and North Africa, but also in Central Asia.

- A shift can be observed in the **threat assessment of *GT 2025*** compared to the assessment in *MGF 2020*. While many of the challenges and threats identified in the two successive reports coincide, the emphasis put on each of them varies considerably. Four sets of challenges and threats can be pointed out, and can be listed here in the same sequence as in the new report. First, the risk of **a nuclear arms race in the Middle East**, triggered by Iran's acquisition of nuclear weapons capability, which would result in destabilising consequences for the already unstable region and beyond. More broadly, concerns over Iran, its claim to regional hegemony, its fragmented political system and of course its nuclear programme pervade much of the report. Reflecting these concerns, the potential for the proliferation and even use of nuclear weapons over the next twenty years features high in the *GT 2025* threat assessment. The second set of threats concerns **conflicts related to access to resources** and to energy flows, including the geopolitical use of energy endowments, domestic instability threatening energy provisions, terrorism and piracy directed at energy fields and transit infrastructure, and climate change-induced conflicts over scarce resources, notably water. The report notes that Sub-Saharan Africa will remain the most vulnerable region in terms of economic challenges, population stresses, political instability, civil conflict and interstate conflicts, such as those in Central Africa. Third, in so far as **terrorism** is concerned, the assessment is twofold. On the one hand, it is envisaged that Islamic fundamentalist terrorism will lose ground and decline because of both the unrealistic objectives of al Qaeda and its harsh methods, including the killing of Muslim civilians. On the other hand, radical Islamic terrorism will likely outlast al Qaeda and may acquire dangerous capabilities to inflict harm on its targets, including biological and chemical weapons. Fourth, in addition to Iran, three countries pose distinctive security challenges, namely **Afghanistan, Pakistan and Iraq**. In each of them, albeit to different degrees, potential for internal conflict is expected to remain considerable, which has worrying implications for the issue of the border delimitation between Afghanistan and Pakistan. Politics within and among Shia and Sunni factions will largely determine the future of Iraq.
- The implications of emerging multipolarity, looming trans-national challenges and potentially endemic instability in critical global regions lead to a rather pessimist prognosis regarding the **future of global governance**. The *GT 2025* foresees multipolarity without multilateralism as the likely outcome of the greater diffusion of power and further fragmentation of the international system. Three main elements underpin this conclusion. First, unlike the aftermath of World War II, no single country is endowed with sufficient power and legitimacy to conduct a thorough reform of the multilateral system. Interestingly,

the *MGF 2020* credited the US with a paramount role in reshaping the global order. Second, the inevitable trade-off between greater inclusiveness and greater efficiency in reforming international institutions may tilt towards the former, while the existence of a plethora of institutions may further undermine effective international cooperation. Third, while emerging powers are unlikely to aggressively pursue an overhaul of the system, they will be reluctant to enter binding commitments limiting their expanding freedom of manoeuvre. Conversely, however, the *GT 2025* points out that the interests of the main emerging powers differ enough for them not to be able, or willing, to form a cohesive bloc opposing Western norms and interests. The proliferation of looser, flexible frameworks of governance is envisaged as the most likely and practical way ahead, establishing issue-based networks of state and non-state actors. Among those networks, the report notes that religion-based ones may carry particular influence, with religious leaders potentially becoming power brokers in dealing with conflicts. On the other hand, religion may also channel grievances and deepen tensions between different communities.

Key indicators from GT 2025

- The world population will grow by 1.2 bn between 2009 and 2025. Less than 3% of that growth will occur in the West, over 20% in India and almost 30% in Africa.
- Global demand for food is set to rise by 50% by 2030.
- The number of countries affected by cropland or water scarcity is projected to grow from 21 to 36, home to 1.4 bn people, in 2025.
- Two thirds of Middle East oil exports go to Asia and 70% of Asian imports comes from the Middle East.
- Three countries – Russia, Iran, and Qatar – hold 57% of the world's natural gas reserves. Six countries – Saudi Arabia, Iran, Kuwait, UAE, Iraq (potentially) and Russia – are projected to account for about 40% of global oil production in 2025.
- 80% of Russian exports, and about one third of the government's revenues, derive from the production of energy and raw materials.

cant differences in the outlooks of the US and of the EU persist. To an extent, these differences reflect the



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- In the context of a more fragile international system, the *GT 2025* perspective on the **future of Europe** is sobering, although not essentially different from the assessment presented in *MGF 2020*. Distracted by internal differences, Europe could be losing its clout over the next twenty years and the EU could become a 'hobbled giant'. The EU is expected to make some progress towards further integration and to stabilising its periphery, notably the Balkans. Whether the EU will be able to expand further, integrating for example Turkey and Ukraine, remains very much open to question. However, it is expected that lagging economic liberalisation and inadequate welfare reforms will ultimately undermine Europe's economic performance. Besides, the different priorities of its Member States will affect the EU's ability to shape a truly strategic perspective and an effective foreign and defence policy. The *GT 2025* seems to point to the fact that the biggest challenge for Europe lies in the conjunction of low fertility rates, an ageing population and sluggish economic growth with sustained immigration. In particular, Europe's Muslim population is expected to grow substantially in the next twenty years, concentrating in urban areas. It follows that the successful integration of migrant communities will be central to European politics and to Europe's long-term economic prosperity.

different nature of the actors in question, namely a unitary superpower state on the one hand, and a 'collective' global actor in-the-making on the other. The diverse historical experiences of the US and of EU Member States, and their distinctive geopolitical environments, very much influence priorities as well. That said, based on the shift that may be observed from *MGF 2020* to *GT 2025* in terms of their findings, differences have considerably narrowed. The sense of a window of opportunity for a renewed transatlantic strategic dialogue and agenda, compounded by the outcome of the recent American elections, is growing. In looking at the main tracks of this convergence, as well as in pointing to noticeable differences, reference is made here to the EUISS report *The New Global Puzzle 2025*. Four sets of issues deserve mention, among others.

- The acknowledgement in *GT 2025* of emerging multipolarity and of the importance of the **'relative power'** of state and non-state actors in this context marks a major shift in the perception of power relations and of their implications. The emphasis on the constraints that will increasingly delimit US financial, economic and military power, thereby making unilateral action ever more costly, rings familiar to Europeans. The *NGP 2025* argued that by 2025 'multipolarity will be a fact of life' and that, within two decades, 'no major pole of power is likely to be hegemonic'. Based on this assumption, the *NGP 2025* posed the question of whether the upcoming multipolar system would be a competitive and conflict-prone one or a cooperative one, without precluding either route. The recent *GT 2025* reflects growing concerns that a multipolar and

Comments

On the whole, the *GT 2025* report offers evidence of the progressive convergence of strategic, long-term perspectives across the Atlantic. To be sure, signifi-

diverse international system may be more unstable than previous configurations. Given simultaneously growing trans-national challenges, the diffusion of power could lead to more fragmentation and further undermine governance structures.

- The focus on the challenges of what may be called **strategic interdependence**, notably energy security, resource scarcity and the implications of climate change is a distinctive feature of *GT 2025*. That is all the more interesting when read in conjunction with the somewhat ambivalent assessment of the relevance of ideology to future international relations. The *GT 2025* argues that ideological conflicts are unlikely in a world where most powers will be concerned with the impact of globalisation and with ongoing power shifts. On the other hand, the report stresses the different economic and political models of some emerging and developing countries, where the state's role is predominant and democracy seems to make little progress. Besides, the enduring role of religion in politics in the Muslim world is pointed out, with various forms of political Islam becoming more influential. On the whole, however, the geo-strategic implications of interdependence take centre stage in the report as key drivers of the power shift and as potential sources of tensions.
- The importance attributed to trans-national challenges clearly affects the assessment of the **potential for conflict** in *GT 2025*, bringing it closer to the perspective of the *NGP 2025*. The warning of intensifying internal conflicts in those countries losing out from globalisation, included in *MGF 2020*, is complemented by a more thorough analysis of the root causes of state fragility and failure, with much more attention paid to issues of resource scarcity (notably water and food), demography, dire poverty and development. This perspective is consistent with the *NGP 2025* focus on the structural trends affecting critical regions, and their interplay. Geographically, according to the *GT 2025*, the potential for conflict is particularly high in the greater Middle East. Hotspots in Iran, Iraq, Afghanistan and Pakistan will be pivotal to regional and global security. Conversely, not much focus is put on the Israeli-Arab conflict, whose resolution features prominently in the *NGP 2025* as the key to unlocking the potential for stability in the region. *GT 2025* stresses the potential for WMD proliferation and even for a nuclear arms race in the Middle East and, like *MGF 2020*, stresses the link between WMD proliferation and the terrorist threat. However, in comparing the two successive reports there is a sense that, while a terrorist attack causing mass casualties poses the single gravest threat, the systemic character of the terrorist challenge is put into perspective. The terrorist threat as such no longer appears as the overriding factor shaping the US threat perception.
- The link between **multipolarity and multilateralism** acquires new relevance in the *GT 2025* analysis. Concerns with multilateral structures struggling to adjust to momentous power shifts, fragmentation and pressing trans-national challenges are central

to both *GT 2025* and the *NGP 2025*. According to the latter, the biggest challenge for the EU will be 'to reconcile the emerging multipolar international system with a sustainable, effective multilateral order.' Based on a convergent assessment of the problem at hand, the *GT 2025* seems more sceptical regarding the chances of a reform of global governance structures than the *NGP 2025*. Given the fact that 'the need for effective global governance will increase faster than existing mechanisms can respond', the *GT 2025* expects that alternative approaches will be sought to address common challenges, notably including issue-based networks. From a US perspective, the *GT 2025* insists on the tension between heavier constraints on American power and on multilateral structures on the one hand, and possibly growing demands for US leadership both to support its allies and to foster international cooperation, on the other. From an EU perspective, the *NGP 2025* urged the EU to clearly define its strategic interests and enhance political cohesion and economic reforms, as a condition for shaping rather than enduring change. The EU needed to build on its attractive model of norm-based political integration to become a stronger global actor and engage other global players in effective multilateral frameworks.

Conclusion

This initial, comparative reading of the NIC *GT 2025* and *MGF 2020*, and of the EUISS *NGP 2025*, paves the way for addressing the policy implications of respective strategic outlooks for the EU, the US and transatlantic relations in a changing world. Three levels of debate, in particular, seem worth pursuing. First, a deeper analysis of US and European priorities for the reform of multilateral structures is in order. Effective multilateralism will be more, not less, needed to manage interdependence over the next few years, while the high price of failure has perhaps not yet been entirely grasped. Central questions include the future shape of summit diplomacy and notably how to link top-level networks to global and regional institutions, responsible for establishing rules and overseeing their implementation.

A second level of debate relates to the EU and US perspectives on the opportunities and challenges posed by the rise of new global players and other important regional powers. The point here is to focus on the synergy of US and EU policies and approaches, where that can enhance their impact, while devising effective ways of engaging the new global players in reformed multilateral structures.

Third, and crucially, the EU and the US should enter a serious policy dialogue on how to take the lead in confronting the unprecedented trans-national challenges stemming from the conjunction of environmental, demographic and economic trends. On these and other matters, transatlantic agreement is no longer enough to manage global problems, but little will be achieved if the US and the EU diverge. The *GT 2025* concludes with an important call for leadership in addressing adverse global trends and reversing them. The EU and the US should shape up to the challenge.