# Global Scenarios until 2030: Implications for Europe and its Institutions

Source: Global Trends 2030: Alternative Worlds, a publication of the National Intelligence Council

## 1. About the National Intelligence Council report:

There have been recently quite a number of publications forecasting the shift in global distribution of power and the relative demise of the West. Global Trends 2030: Alternative Worlds is a fifth report of this type prepared by the National Intelligence Council[1]. The paper is the result of research, meetings and discussions lead by analysts of NIC for the last four years. The report in not aiming to estimate how the world will look in 2030, but rather at providing the framework of thinking about the future by identifying critical trends, factors and discontinuities that affect world's development. Although Europe is not at the centre of this publication, the report examines regional dynamics and presents some possible scenarios for the future of Europe. Some aspects of the report may have a bearing on the Council of Europe activities even if the approach of the report is marked by an American "bias".

## 2. Megatrends:

**Individual Empowerment**

At the global level, the rising welfare of societies (including poverty reduction) as well as spread of communication technologies and increased mobility will boost individual empowerment. The growing importance and size of the middle class will become one of the most important factors shaping the world in 2030. For the first time in history the majority of the world's population will not live in poverty. This will have an impact on education and health systems and on democratization processes (if we consider the theory that the GDP per capita of more than 12.000 USD accelerates the process of democratization). This trend will be enhanced by widespread use of information technologies. Their spread has a potential to broaden individual's sense of community, bridging national, regional, ethnic and gender divides. But it also presents significant challenges for governments and societies which must find ways to deal with the new threats that those technologies present. The strengthening of the rights

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[1] The National Intelligence Council (NIC) is a United States Government entity, operating as part of the Office of the Director of National Intelligence (ODNI).

of individuals will weaken traditional centres of power and bring more influence to the "informal networks". The power might shift toward multifaceted and amorphous networks that will form to influence state and global actions. There will be a growing tension between collective rights and the rights of individuals as well as between the state and the individual.

**Demographic Patterns**

The number of youthful societies will diminish and the majority of countries will be challenged by aging demographics. Whereas in 2012 only Japan and Germany have matured beyond a median age of 45 years, most European countries, South Korea, and Taiwan will have entered the post-mature age category by 2030. Consequences of this process have different facets: on the one hand economic growth might decline in "aging" countries; on the other hand, high correlation exists between more mature age structures and a country's ability to achieve full democracy.

Migration will increase and become more globalized as both rich and developing countries suffer from workforce shortages. For some low-fertility Western European countries that have poorly integrated Asian and African immigrants, the rapid growth of these minorities could erode social cohesion and promote reactionary politics. Russia's greatest demographic challenge could be integrating its rapidly growing ethnic Muslim population in the face of a shrinking ethnic Russian population (by 2030 about 19%).

The demographic arc of instability will narrow. Since 1970 about 80% of armed conflicts took place in the countries with youthful populations (with a median age of 25 years or less). Due to demographic changes, the risk of inter-state conflict will decrease in the countries of Latin America and parts of Asia that have reached the age structure with a median of more than 25 years of age. The risk of inter-state conflict remains high in the sub-Saharan Africa and some parts of the Middle East, Southeast Asia and Central Asia.

**Economic growth**

The global economy will grow unevenly. Most of the leading Western Countries, including Europe, will record low parameters of growth. Low growth will have serious social consequences. European countries will not be able to finance their generous welfare systems. Ailing economies may restrict Europe's action on the world scene.

**Diffusion of Power**

The international system will undergo profound transformations and only a few countries will be able to secure their long-term interests in this new, less predictable environment. The United States has the potential to do this, but this time it has a weaker position than after

World War II when the current international order emerged. In the next 20 years Asia will have surpassed North America and Europe combined in terms of global power, based upon GDP, population size, military spending and technological investment. Moreover in a multipolar world, power will shift to networks and coalitions. Therefore the report urges the United States to strengthen existing alliances, including strategic transatlantic relations. It also states that there will not be any hegemonic power and underlines that a key factor that will shape the international system in 2030 will be cooperation with China.

The fact that China and India have started to become more and more powerful economically and militarily has become evident in recent years, but the West did not anticipate the scale and speed at which it is happening[2]. In 2030 Asia will return to a dominant position, which it had lost six centuries ago. The concomitant trend of growing power of the West, which accelerated after 1750, will be reversed. The result of the shifts of power and wealth to the East will signify the end of the Western era.

According to some experts, the current situation is parallel to the period of the "long peace" after the Congress of Vienna of 1815. Among the similarities are: periods of rapid social, economic and technological changes, the general shape of the international system (multipolarity) and fear of a potential conflict. The replacement of the United States by another global power and the establishment of a new international order seems improbable in the near future. Instead, the current system will become more multipolar, with an even higher number of actors than after the Congress of Vienna. New powers are on the rise but their aim is not to redefine the existing international order. They are more focused on drawing maximum gains from the status quo.

The world will become less organized and no single country or group of countries would be able to dominate it. Global leadership will no longer belong to the strongest but to the one which has the best skills in diplomacy and which can efficiently mobilize international support. In a multipolar world, power will move to the networks and coalitions. This trend would imply a growing importance of bodies responsible for the external relations of countries and of international organisations and networks.

The current analysis shows that many EU Member States have a greater ability to influence the international scene than would be expected from their economic or military positions; contrary to the United States and China which have relatively low levels of "diplomatic power" in relation to the size of their economies. This means that European countries (in particular

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[2]The report notes that the share of US GDP in world GDP was almost constant until 2005 and now stands at 24% (market value) but China and India have increased their share at an unprecedented rate (even the growth of the US in the 19th century was slower in terms of share of world GDP).

France, Germany, Great Britain and Italy) have a high level of impact in terms of "soft power" but this is not reflected in the perception of Europe as a global player.

**Food, Water, Energy Nexus**

Demand for resources will grow substantially owing to an increase in the global population. Tackling problems pertaining to one commodity will be linked to supply and demand for the others. By 2030 access to water could be a more serious source of conflict than access to energy and natural resources. The world's biggest water problems will occur in North Africa, the Middle East, Central and Southern Asia, and Northern China. Tensions related to water shortages will increase because some of these areas will also be characterized by rapid population growth over the next 15-20 years. According to the authors of the report, in future conflicts are more likely to break out as a result of the struggle for access to water and food than it is currently the case as demand for food will increase by 35% in 2030, while the global capacity to increase agricultural productivity has declined annually in 1970-2000 and continues to decrease.

**Disruptive factors**

In addition to the above-mentioned trends, the world could be transformed in radically different ways by unexpected events regarding the global economy, governance, conflict, regional instability, technology and affected by the changing role of the most powerful actors such as the United States or China.

1. **Implications for Europe:**

The report claims that Europe will remain a great power but at the same time it underlines that "conflicting forces of fragmentation and integration made Europe an inherently unpredictable actor" and its future is very uncertain.

Three scenarios are outlined for Europe:

1) Eclipse – This scenario presupposes that the euro zone would collapse causing disastrous economic, social and political consequences. In effect, Europe would be less unified and more diversity than uniformity would exist across the continent. The euro crisis might turn out to be a devastating blow to aspirations for Europe as a whole to play a dynamic role in the international arena. Preoccupied by domestic turmoil, Europe would sit on the sidelines of world affairs. A more inward-looking and less capable Europe would provide a smaller stabilizing force for crises in neighbouring regions.

2) <u>Slow Decline</u> – Europe would escape from the worst consequences of the financial and euro crises but fails to undertake the necessary structural reforms. In this case Europe would suffer from low economic growth and its institutions would not be able to satisfy public expectations. Countries might re-nationalize their foreign policies and Europe's international position would diminish.

3) <u>Renaissance</u> – In this scenario the euro zone crisis could prove to be the catalyst for deep political and economic restructuring and further integration. It could even lead to more federalism whilst allowing countries to choose their speed of integration (multi-speed Europe). A Europe which overcomes its current intertwined political and economic crises could see its global role enhanced. Such a Europe could help to integrate its rapidly developing neighbours in the Middle East, Sub-Saharan Africa, and Central Asia into the global economy and broader international system.

The authors point out that a modernizing **Russia** could integrate itself into a wider international community; conversely, a Russia which fails to build a more diversified economy and more liberal domestic order could increasingly pose a regional and global threat. Russian power in the Near Abroad could grow with the US pullback from Afghanistan and Central Asia.

In the view of the authors, Europe is less often seen by other regions as a model for development. However this assumption may prove to be wrong if European integration deepens. The paper suggests that **European integration** consisting on pooling sovereignty is likely to remain the exception (although one may imagine Latin America, Africa or South East Asia taking on board some features of the European project).

By 2030 global institutions should better mirror the changing power set-up (e.g. allow emerging powers on to UN Security Council). In the hypothesis of a hyper-globalized and "non state" world, governments would increasingly see their role as organisers of "hybrid" coalitions of state and non-state actors (multinational businesses, IT communications firms, international scientists, NGOs, etc.). In such a world, traditional position and measurable strength will count less then expertise, agility and influence. **Regional institutions might become more hybrid** as non-governmental bodies become members. In this scenario Europe could use its soft powers (NGOs, universities, finance and business) and skills (e.g. coalition-building) to boost its standing. However the proliferation of global non-state actors in the international arena might also be a source of security threats (terrorist and criminal organizations).

The changing paradigm in Europe of a post-growth model of development will mean greater individualism and more strains on the social welfare system. These challenges are of direct **relevance to the Council of Europe** in its work to promote equality and justice. There will be a growing quest for justice (both retributive and distributive) and the Organisation should play a key role in building a framework to foster harmonious interfaces

between different cultures, to develop the role of non-state actors and to clarify the new interrelationship between group and individual rights as well as majority and minority rights.

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