NATIONAL INTELLIGENCE COUNCIL

GLOBAL TRENDS 2010

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SCOPE NOTE

In fall 1996, the National Intelligence Council (NIC) and the Institute for National Strategic Studies (INSS) held a series of conferences at National Defense University to identify key global trends and their impact on major regions and countries of the globe. The exercise was designed to help describe and assess major features of the political world as they will appear in the year 2010.

Participants in the conferences were drawn from academic institutions, journalism, business, the US Government, and other professions. Members of the National Intelligence Council collaborated with INSS and other conference participants in helping to craft the agenda of the conferences. Although the proceedings were unclassified, papers and comments were presented on a nonattribution basis.

Global Trends 2010 is the result of the conference deliberations as well as follow-on discussions chaired by Dr. Richard Cooper, then-Chairman of the NIC. The principal drafter was Barry Lowenkron, Director of the Council's Analytic Group. Since its limited publication in February 1997, the study has continued to generate ongoing, widespread interest. As a result, the NIC decided to reissue the study and make it available to the general public. Although the report was completed earlier this year, we believe that the overall analyses and judgments presented still stand, buttressed by political, economic, and military trends which have unfolded over the course of 1997.

A note on methodology is in order. Assessing the future of key states and regions by definition carries uncertainty. In some instances, such as the continued evolution in Russia or the growing potential of China, the level of uncertainty is higher because of the many key factors--domestic and international--at play. When the NIC and INSS undertook this project the driving principle--shared by all of those who participated in the conferences--was to present what we believed to be the most likely consequences of global trends on key regions and states in 2010. Our intent was not to produce an extensive list of alternative scenarios, although they were discussed in the conferences. Nor was the study intended to "forecast" surprises. Genuine discontinuities--sharp nonevolutionary breaks with the past--are rare, and our focus is on evolutionary change. We emphasize throughout the document that a series of smaller changes can, over time, result in significant changes, both with respect to key countries and regions, and the overall characteristics of the world in 2010.

The public debate on national security continues to center on a vision that is both *limited* and *ambitious*; limited in the sense of focusing on traditional war and peace issues; ambitious in implying that governments still have the capacity to shape events decisively in the international arena. Such a vision will no longer encompass all the challenges we will face in 2010.

THE NEW CONCEPT OF ORDER EMERGES . . .

The structure of international relations has been based primarily on relations between states, not developments within them. This was true whether under balance of power politics of the 19th century, superpower diplomacy of the last fifty years, or efforts at collective security as embodied in the United Nations. In all three variations, order rested fundamentally on a stable arrangement of power among states. States, in turn, were masters within their borders. This has been the hallmark of the international system that emerged at the end of World War II and the environment within which the United States has become the global superpower.

That system is drawing to an end. Three changes, likely to become more pronounced over the next 10-15 years, will render traditional approaches insufficient:

- *First, most conflicts today are internal, not between states.* This tendency will continue, and states will find their attention increasingly riveted, and resources committed, to dealing with what goes on in countries: shifts in population, the expectation of--and demand for--material progress, and

attendant demands on food, water, and energy.

- *Second, some states will fail to meet the basic requirements that bind citizens to their governments*--essential services, protection, and an environment conducive to stability and growth. In some instances public expectations will outrun national capacity or governmental abilities. When these states fail, refugee flows, or worse--ethnic or civil conflict, and even state disintegration--occur, with the potential for outside intervention.

- *Third, governments* whose states are relatively immune from poverty and political instability will still *find that they are losing control of significant parts of their national agendas due to the globalization and expansion of the economy, and the continuing revolution in information technology.* "National economic policy" in an era of globalization of trade and finance is fast becoming an oxymoron. Nongovernmental organizations (NGOs), from multinational businesses to trans-national relief agencies, will not supplant the power of governments, but they will weaken them. Governments will have limited avenues for influencing the agendas of these organizations. The good news is that governments will derive benefits from technology that moves information, goods, and services rapidly. The bad news from the perspective of governments is that they will have less and less capacity to control these flows unilaterally. International organized crime groups will take advantage of such technology as well, bypassing governments, or seeking to undermine them when governments try to block their efforts to run and expand their illegal activities.

Looking out to 2010, new international norms of behavior are being developed through experience with crises as diverse as Rwanda and Bosnia. These in turn are touching off a profound debate over when intervention--political, economic, or military--is legitimate, appropriate, or essential. *Increasingly, the national security agendas of policymakers will be dominated by five questions: whether to intervene, when, with whom, with what tools, and to what end?*

Clear lines of war and peace, threats to national security, mission objectives--the whole host of criteria by which the United States measured stability and calibrated responses--are being rewritten. One of the most challenging issues will be to what degree the United States will take the lead in defining and advancing this new concept of order, including the commitment of its economic and military power to support this change.

. . .YET, THE OLD ORDER REMAINS

The norm for the international system is evolution--thus trends we identify as dominating the early part of the 21st century are emerging today, co-existing with old structures and old agendas of nation-states and national governments. That said, some states will insist on the trappings of sovereignty--as in Russia or China; others will insist that these new forces will not alter their national agendas--as in North Korea or Cuba--or their regional ambitions--as in Iraq or Iran. As the United States grapples with how to handle the new concept of order, it will still need the wherewithal to handle challenges from states clinging to the old.

THE EMERGING GLOBAL TRENDS

Over the coming decades, the United States will face six global trends that will help shape its national security policies:

Population.

(View Figure 1) Population will increase by 1.2 billion to over 7 billion by 2010. *About 95% of this growth will be in developing countries.* This growth will also be accompanied by increased urbanization: about half of the world's population will live in cities compared with one-third today. There will be many more mega-cities with populations in excess of 8 million, mostly in developing countries. Countries such as Mexico and Saudi Arabia that hold key geopolitical positions will be among those heavily affected by population pressures. In some societies a "youth bulge"--the growing number of people between 15 and 24--will strain educational systems, infrastructure, and the job market. Population growth will also fuel migration pressures --Haiti's population, for example, is expected to double over the next 20 years.

For the industrialized world, the population problem will not be associated with growth but with increasing lifespans and decreasing birth rates. The "Social Security-Medicare" debate already reverberating throughout the developed world will be acute. Governments will struggle to provide social welfare and health services to an aging population, while the labor force--the pool whose taxes help finance these services--shrinks.

In the former Soviet Union the issue is not buttressing a safety net, but creating one to cope with a wide range of economic and social problems that will take many years and concerted effort in the areas of health, the environment, and economic progress to reverse. In Russia the extent of demographic ills is reflected in a sharp and unprecedented decline in male life expectancy.

Growth in Per Capita Income.

The triumph of the West in the closing days of the 20th century carried an economic component as well as the commonly recognized ideological one: the universal acceptance of the notion--and the expectation--of material progress. This will place a premium on stable political and social systems accompanied by incentives for effort and risk-taking.

We project real growth in per capita income of over 2 percent per year between now and 2010. Fueled by accelerating global trade, knowledge-based technologies, and the integration of capital markets, economic growth will bring unprecedented wealth to a greater number of states. Many of these states will channel this growth into providing services to its citizens; others, however, will translate their resources into building military capabilities for aggressive purposes against their neighbors, or to defend themselves against potentially aggressive neighbors.

Growth will be uneven; not every state, nor every citizen in every state, will benefit equally. Some will not benefit at all, or may lose out. The pace of technological change will be rapid and the fear of being left behind will lead to tensions between countries--and between groups within them--as income gaps widen. *More winners will be in East Asia and the West; more losers will be in Africa and the Middle East.* Among relative losers will be those states that, unwilling to accept the consequences of their failure to cope with change, will use force to alter their status.

Growth will carry new demands on infrastructure--water, energy, communications, waste disposal, urban transportation, public health, housing, and education. Failure to

accommodate these demands will trigger disaffection with government, backlashes against the concept of modernization--and clashes against Western policies, philosophies, and presence.

Finally, the speed of post-industrial economic development will accelerate the growth of new economic centers of power, whether they be states like Indonesia, or global multinational businesses which in some cases could rival the resources available to lesser states.

Food.

The problem of feeding a burgeoning population is not agriculture or science, but rather political stability, transportation and distribution. Indeed, food production is likely to keep pace with overall demand. *We anticipate genetic engineering fueling a fourth agricultural revolution by the end of this timespan. As in the past, shortages will be man-made.* Serious pockets of poverty will put people in developing countries--particularly in Africa--at risk of death from disease and starvation.

Communications.

The continued digital data and communications revolution will *shrink distances and weaken barriers to the flow of information.* Communications technology will become so inexpensive that most countries will be able to pay the cost of connecting to the global information infrastructure (GII). Optical fiber will add enormous capacity for data transmission among nodes around the globe. The United States, Europe, Asia, and Latin America will be in the forefront of this communications revolution. To compete, businesses will continue to move beyond regional or national perspectives to optimize global trade. Governments will benefit from the success of these businesses. However, communications will also thwart government efforts to control the flow of information, which, in some instances, will undermine their authority.

Energy.

(View Figure 3) Growing populations and per capita income will drive the demand for more energy, particularly as the Chinese and Indian economies expand. *By 2010 the world will require added production of petroleum on the order of what OPEC produces now.* Technological advances, however, can meet this demand. Problems will arise not out of overall shortages but out of short-term disruptions in the flow of oil stemming from political-military instabilities. Improvements in the efficiency of solar cells and batteries will result in greater use of these and other renewable energy resources, but they are unlikely to significantly affect global reliance on fossil fuels during this time period.

Military Technology & Deterrence.

Precision- guided munitions and information technologies will continue to be the hallmarks of the revolution in military affairs. Other countries will have technologically advanced military equipment at their disposal, obtained from arms merchants and other governments. However, no power will be able to match US battlefield technological capabilities during this time frame, and *potential adversaries are unlikely to repeat Iraq's mistake in challenging the United States via set-piece conventional warfare.*

Admitting technological inferiority will not mean acquiescing in American policies. Potential adversaries will attempt to blunt our military superiority in other ways: improving their capabilities relative to their neighbors, and using unconventional and often asymmetric means--ranging from the increased use of terrorism to the possible use of weapons of mass destruction. Because of the high cost of developing a nuclear capability, these countries will focus more on chemical and biological weapons. Their aims

will be to threaten our allies, undermine our presence in their respective regions, and weaken US public support for use of the US military abroad. In sum, our military technological prowess will not be enough to guarantee that our interests will be protected, and *we may find what some would call a "doctrine of massive technological superiority" as limited in the future as the doctrine of massive retaliation was forty years earlier.*

Assessing the Regional Context of Change

Each major region will be affected by these trends--for some countries and regions, the consequences of these trends will be more pronounced. Some governments will have the capacity to manage change, others will be overwhelmed by it. Yet even those who successfully manage transitions cannot remain immune from the consequences of those who do not.

EUROPE

The agenda of European governments will be dominated by three issues--more related to the future of Europe, than to Europe's role worldwide.

First, European governments will be absorbed by the need to *renegotiate the social contract,* i.e., the entitlement programs of the social welfare state hammered out in the post-1945 period. This is not a choice but a necessity: a large, aging population sits atop a shrinking labor pool and declining birth rates, unemployment remains chronic, and growth rates are projected at 2-3 percent per year at best--acceptable by historical standards (as well as the standards of other countries) but short of public expectations. Labor market rigidities and lack of productivity growth will strengthen protectionist tendencies.

Europe's second challenge will be to *translate an enlarged and deepened EU into an effective vehicle for policy deliberation and execution.* Decisions taken by the European Monetary Authority will carry more weight than national policies in Berlin or Paris. Future German leaders will be less inclined to shoulder the burden of building a united Europe or to subsume German interests under the rubric of Europe or the transatlantic relationship. Germany is likely to assert its policies more openly and directly to the degree there is turmoil in Central/Eastern Europe, a German economic downturn, disunity among allies, or uncertainty about American engagement in Europe.

The third challenge will *be to define America's security role* in a Europe that will continue to struggle for greater unity in security and military policy. Given budget and military realities, Europeans realize that replacing NATO is unwarranted and unaffordable. The likely course at least through 2010 will be an enlarged NATO serving as the primary vehicle for launching and sustaining "coalitions of the willing." Debates will not be about supplanting NATO, but about development of the European club within the Alliance.

European publics will continue to support the US military presence in Europe, partly as a hedge against Russia and renationalization of defenses, and as a result of NATO's entry into the Bosnia imbroglio--a step that reaffirmed the effectiveness of the Alliance in managing post-Cold war crises. Europeans will not find anything sacrosanct about the number of US forces stationed in their countries--their views of American leadership will be determined less by the size of the American presence than by the use of these forces for combined operations. However, they would view a precipitous departure--or substantial unilateral drawdown in our forces--as a signal of American disengagement.

Europe will be affected by trends elsewhere, in particular in the Maghreb and Middle East. Population growth, the potential for the massive flow of refugees, the need to ensure access to oil, and the economic potential for markets throughout the region will ensure that European countries will stay engaged. US-European strategic interests will be buffeted by several contentious issues: differences over policy toward Iran and Iraq (where political changes will occur in both countries by 2010); costs of underwriting a Middle East peace; divergent views on the future of Turkey's relations with Europe; and US positions on "fair vs. free trade," extraterritoriality, and the role of the World Trade Organization (WTO) in settling trade disputes. As East Asian economies--particularly China--grow, Europe will find its economic interests shifting toward that area. We anticipate growing trade and investment between these two regions.

RUSSIA

The shape of Russia--politically, demographically, economically, and militarily--will emerge in fits and starts over the next fifteen years. *The erosion in the authority of the central Russian government that has occurred will not be easily reversed* as regions will want to retain the power they have accumulated, and as non-state actors--from International Financial Institutions (IFIs), to NGOs to organized crime groups--affect the pace, scope and direction of Russian economic, social, and political development.

President Yeltsin's successors could try to arrest the current sense of drift in Moscow. That said, *authoritative leadership would not necessarily be the same as authoritarian rule.* Strong leadership could buttress democratic institutions and norms still in their infancy, address questions of public apathy, suspicion, or disillusionment about Russia's political system, and tackle the social and economic issues that remain unresolved five years after the collapse of the Soviet regime.

Regardless of whether future Russian leaders are bent on reasserting Russian great power prerogatives or reforming Russian society, Russian capabilities will be the key. During the Cold War these were measured in terms of military power. Looking out to 2010, these capabilities will be measured more in terms of economic resources. We believe Russia will remain economically weak through 2010 and beyond. Were a future leader to emerge bent on reclaiming Russia's old status and on threatening Western interests, *it would take years to accomplish, even after decisions to alter course were made and plans put in motion.*

Thus, Russia's future will depend in large measure on its ability to develop its economy. Its economic conundrum can be captured this way: to leap ahead to a post-industrial society Russia must step back and exploit its comparative advantage in raw materials and take commercial advantage of its highly skilled work force. Yet, Russian leaders still cling to the present--the notion of Russia as an industrial power.

Demographic trends--the present low birthrate and declining life expectancy--will have a ripple effect through Russian politics with special focus on health, employment, and overall standard of living. Central Asia, by contrast, will experience fairly rapid population growth. The worldwide growth in per capita income will be felt in Russia-- but

the spread between winners and losers will be pronounced, further exacerbating difficulties in forging a shared view about Russia's political and economic future.

Russia's armed forces--currently ill-equipped and with ill-defined missions--will of necessity undergo change, but it is unclear how much will be planned and purposeful and how much reactive. The process of downsizing, reorganizing, and retraining will be long and painful, particularly given the meager resources allotted to the military. As a result, Russia will remain too weak to project its military force beyond its close neighbors.

Russia will continue its ambitious military research and development program which could allow it to develop significantly advanced weapons, but probably not until after 2010. Through 2005 Russia will be forced to upgrade existing weapons and extend service lives, and will face the prospect of obsolescence of some of its major general purpose weapons. The defense industry will be increasingly reliant on arms exports in order to help defray the costs of military programs. Because its status as a major power hinges largely on its nuclear capabilities, modernization of these programs will continue to be a top priority in its new ten-year armament program.

Potential successors to the current Russian leadership could choose to tap into nascent nationalist sentiments, fueled by the degree of Russian economic hardships and sense of disillusionment with the current cadre of politicians. This nationalism can also be exploited if European progress in developing political, economic, and security architecture has the appearance of marginalizing Russia. The most likely outlet in foreign policy would be Russian efforts to rebuild a sphere of influence over its immediate neighbors, with the Caspian energy basin a key arena; Russia will attempt to exploit Caspian energy reserves both for economic gain and political leverage. In addition to spurring regional cooperation and exploring ties to outside powers, Russia's neighbors will look to their links to NATO and the EU, and to Organization on Security and Cooperation in Europe (OSCE) mechanisms to at a minimum draw attention to disturbing shifts in Russian policies.

Russia will continue to assert its right to be taken seriously, and will often take positions different from those of the United States. It will continue to develop its military relationship with Iran and others. We can expect periodic Russian-Chinese diplomatic activity, fueled by military sales and mutually compatible objectives: Russian desires to demonstrate it has ties with other key actors, and China's desire to hedge against "soft containment." Russian leverage in the Middle East peace process will be confined to occasional diplomatic forays.

EAST ASIA

By dint of its size, regional sweep, economic growth, territorial claims, and insistence on being taken seriously as a major foreign policy player, China will preoccupy US policymakers through 2010 and beyond. *While China has the potential to become the region's dominant military power, it is beset by significant internal problems that in our judgment will preclude it from becoming so during this time frame.* Indeed, many of the global trends we highlighted--population (and strains associated with urbanization), energy demands, and food-- are domestic issues for China. As a result, its military modernization and power-projection capabilities will increase only gradually.

The Chinese central government will continue to have difficulties collecting revenues to fund its programs. With 70 percent of its population still in agriculture, China has a long way to go to develop a modern economy on a nationwide basis.

Taiwan will continue to be a potential flashpoint for China, although each side believes that time favors its own position. We believe that, while the risk of war is low, the

China-Taiwan issue is unlikely to be resolved during this time frame.

Sustained economic growth in the region will continue, pulling all countries up a technology ladder, spreading to the poor countries of Southeast Asia, the interior of China, and eventually to North Korea, Mongolia, and the Russian Far East. Regional economic integration will grow, fostering political cooperation, but will stop well short of multilateral institutions and arrangements characteristic of Europe. An Asian "OECD" may emerge, focused on discussions of economic and technical issues.

Once viewed as the paragon of economic prosperity, Japan's economic strength will be buffeted by demands from its aging population, which will grow rapidly. Japan's difficulties will be compounded by its need to manage the decline in its manufacturing sector. Both challenges will consume significant Japanese political energy for at least the next decade.

The new generation of Japanese leadership will be more engaged diplomatically in the region, and Japan will continue to modernize its armed forces.

The next 15 years will witness the *transformation of North Korea and resulting elimination of military tensions on the peninsula.* The subsequent US security presence in the region will be a function both of how the transition on the peninsula occurs and the threat perceptions of regional actors thereafter. *A rapid US withdrawal because of budgetary considerations or changing US public sentiment almost certainly would contribute to instability in the region.* US disengagement would increase the likelihood of tensions or potential conflict drawing in China, Japan, Korea, or Vietnam, with intense competition between China and Japan the salient feature.

Looking out to 2010, Southeast Asia will continue to remain among the fastest growing economic regions worldwide, although growth will be slowed by rising wages, increasing competition and market volatility. The countries in the region will continue to attract direct foreign investment and foreign exporters eager to take advantage of markets in energy, telecommunications, other sophisticated manufacturing goods, and agricultural products.

The growing economies of Southeast Asia will allow these countries to continue to upgrade their military forces, particularly the power projection capabilities of their navies and air forces. These forces will be geared toward protecting maritime economic zones, including a variety of overlapping claims to the Spratly Islands that are contested by China. Although these and other disputes may cause a rise in tensions, we estimate that increasing trade between these countries and regional organizations such as ASEAN will keep any regional disputes from escalating into warfare.

The issue of succession will emerge over the next decade in Indonesia, Thailand, Malaysia, and Singapore. Indonesia, which probably will face the most difficult succession, is particularly important, because of its vast geographic reach, population (fourth largest in the world), significant natural resources, and status as a major emerging market.

Vietnam will find it hard to sustain its rate of economic growth without reigning in corruption or making changes to create a less arbitrary business climate that encourages investment. Cambodia's stability and economic development will continue to be at risk absent a sustained effort to build institutions and contain political rivalries.

MIDDLE EAST

Population growth, changing demographics, urbanization, declining economic conditions, unmet public expectations, questions of succession in key countries, and the use of Islam as a political weapon will all make this region one of the most troubling for the foreseeable future. Demographically, growth rates of 3-4 percent will be common; anemic economic performance and weak educational systems will lead to significant numbers of unemployed people, putting pressure on governments to find or create jobs, and to maintain social welfare nets that will be increasingly difficult to sustain even in the oil-rich regimes.

By 2010 OPEC will have been in existence for half a century. Yet, the oil-producing countries in the region will have failed in weaning their economies away from oil. The younger generation will be disaffected by the sense they lost out on the oil boom days as contrasted to those who rose to economic prominence in the 1970s and 1980s. Today, at least half of the current Saudi population of 13 million is age 15 or younger. In Iran, 65 percent of the population is under 25. *We anticipate the increasing number of young unemployed men will exacerbate social and political tensions throughout the region.*

Defense of Islam will continue to serve as the rallying cry for those who attempt to seize power, those who mobilize against external "enemies" to maintain power, those who are concerned about deteriorating economic conditions, and those who are alarmed about the impact of Western values.

Political leaders will draw two lessons from the Gulf war. First, mounting and sustaining a conventional capability to challenge the West will not only be expensive but futile. Second, to undermine Western interests, less expensive means can be used, from intimidation, subversion, and terrorism, to development of weapons of mass destruction (WMD). Nations will favor the less expensive route of developing chemical and biological weapons as opposed to nuclear weapons, although Iran and Iraq will attempt to continue their nuclear programs. The region is the hotspot for proliferation of the technology needed to develop WMD. Russia, China, and others will continue to export technology; Western Europe will look the other way in order to stake out its claim to business. *Pursuing WMD capabilities for terror, intimidation, and deterrence will be the norm during this time frame.*

In *Iraq*, Saddam Husayn will be gone and the challenge will be to see whether a modern, secular successor government emerges that does not threaten its neighbors. In Iran, power will pass on to the second generation of leaders who will face the consequences of economic mismanagement and rising public cynicism of clerical involvement in Iranian politics. For the Iranian public, the Shah's "crimes" will be a distant memory and Islamic fervor little comfort in an environment of economic stagnation, corruption, and limited opportunities for advancement. Domestic problems will not necessarily translate into a more benign Iranian foreign policy. Iran will continue its efforts to exploit popular discontent in other countries in the Middle East, to use terror to undermine the confidence of US allies in our military presence, and to develop weapons of mass destruction.

Progress between Israelis and Palestinians will be uneven and interspersed with periodic outbursts of violence. We anticipate a de facto--if not de jure--Palestinian State by 2010. This will come about less because of shared vision than common resignation. A settlement will not put an end to terrorism, directed at Israel and at Palestinian leadership of this new entity.

Conflict over water rights will exacerbate tensions in the region, between Turkey, Syria and Iraq over the Euphrates, and Egypt, Sudan, and Ethiopia over the Nile.

SOUTH ASIA

With the Nonaligned Movement in decline and the Soviet Union gone, India is still grappling with its identity in the world nearly a decade after the end of the Cold War. India's search for its role has been complicated by the appearance of localized parties, whose leaders are more narrowly focused than the leadership in New Delhi (and in the Congress Party) on the issue of how India should assert itself on the regional and global level.

India will emerge as a major power economically, and remain a regional power militarily. Economically, India will look to the West to tap into the global growth in per capita income. Population growth, increased demands on energy, and pressure on infrastructure will absorb the Indian Government. India will make uneven progress in combating foreign skepticism of its commitment to trade liberalization. *We anticipate an explosive growth in foreign economic activity focused in southern India.*

Politically, however, India will continue its efforts to define a role distinct from the West. Part of that stems from frustration at seeing high-level international attention focused on its rival China, while India registers only in the context of blocking nuclear disarmament initiatives, grappling with Kashmir, or contending with Pakistan.

India will continue rebuilding its arms trade relationship with Russia in an effort to modernize its armed forces. Because the cost to India of building strong, modern conventional capabilities is prohibitive--due to its desire to stake out a claim commensurate with its size--and because of the nuclear arsenal of China and the nuclear potential of Pakistan, *New Delhi will continue its commitment to its nuclear program.* Efforts to draw India into the Comprehensive Test Ban Treaty or Fissile Material Cut-Off Treaty will falter. At a minimum, India would have to be convinced that the West was committed to treating it as a serious player over the long term before dropping its opposition to both treaties.

Pakistan will continue to be buffeted by political turmoil and sporadic violence, and the military will continue to be involved in Pakistan's politics. The army will be challenged by a rise in religious fundamentalism in its ranks. Pakistan will also continue its nuclear program. Despite the lack of a clear military doctrine in either India or Pakistan, the nuclear rivalry between *the two countries has settled into an uneasy deterrence.*

AFRICA

While many African countries are making political and economic gains, such progress is halting and fragile. The region will continue to be home to the poorest, least healthy, and most ethnically conflicted people in the world.

The hallmark of the modern African State system--inviolability of borders and non-interference in internal affairs--will be increasingly challenged, particularly when misrule at home leads to conflict spilling into neighboring states. The OAU and regional organizations will continue to work at developing African-led intervention and peacekeeping forces, and build on current experiences to flesh out new codes of conduct. Such changes will not, however, lead to structuring of states into homogeneous ethnic units. The success of key African states and inter-state organizations will continue to hinge on military and financial help from outside powers, principally the United States and France, and on a world economy hospitable to African exports of primary products.

Where major states act as regional leaders, the potential for violence will be reduced. Absent such developments, the prospects for instability--as well as refugees, starvation, and ethnic conflict-- will mount. Nigeria and Kenya will not have the potential to play the role of leaders in their respective regions. Nigeria's economic mismanagement, corruption, and political instability will not be resolved over the next 15 years. Although Kenya has the human resources and professional armed forces, it probably will lack both the will and economic strength.

In contrast, South Africa probably will be a successful regional leader, able to use diplomatic, political, economic and military leverage to help underwrite order in southern Africa. Its advanced economic and banking structures will serve as a transit point for investment in southern Africa. While President Mandela's continuing contribution cannot be minimized, *succession to a post-Mandela South Africa will be smooth* in contrast to succession in other African countries.

LATIN AMERICA

Economic growth, consolidation of democracy, regional cooperation, and greater emphasis on multilateral organizations will be the hallmarks of Latin America over the next 15 years.

Because many governments in the region are still saddled with hierarchical styles and bureaucracies that are ill-suited for the fast pace of an increasingly complex and technologically sophisticated world, NGOs, IFIs, businesses, and regional organizations like the Rio Group and the ongoing Summit of the Americas Process will assume a greater role in civil society. Such involvement promises to provide a solid base for developing partnerships on a broad range of issues including trade and investment, sustainable development, transportation, energy, defense cooperation, and good governance. Apart from US engagement, Mexico and Brazil will be the dominant voices in determining the pace and form of regional cooperation and economic integration. Summitry will be essential in buttressing and expanding the activities of these multilateral institutions.

The region will continue to be threatened by narcotrafficking and international organized crime. These enterprises will retain the capacity to undermine government institutions, and in some cases, such as in northern Mexico and parts of Colombia, supplant the key functions of local government. In the Caribbean, the prospect of renewed flow of seaborne migrants from nearby island states will remain.

In *Mexico* political power will become more diffuse as the Institutional Revolutionary Party (PRI) loses its dominance and a multi-party system emerges. Narcotics trafficking and corruption will pose a challenge to both the government and society in general. Economically, the northern states will become increasingly integrated with the US economy, reflecting new foreign direct investment, substantial infrastructure improvements, and slowly expanding free trade arrangements with the rest of the world. States in the south will continue to lag in job and income growth.

Mexico will be less successful in resolving pressing social issues, in part because of relentless economic restructuring, underdeveloped safety nets and government services, and continued deficiencies in public education. The potential for guerrilla activity and occasional, localized violent upheavals will remain.

In Cuba, major political and economic reform is unlikely to occur so long as Castro remains in power--were he to die of natural causes, economic reform might accelerate under his brother Raul, but political liberalization would be resisted. If he were forced from office, change would come more rapidly with Havana turning to the United States, Canada, Spain, Mexico, and others in Latin America for assistance. Cuba will present at worst a limited military challenge; but its post-Castro evolution would raise a host of economic, political, and humanitarian issues which will require concerted US and multilateral efforts to address.

IMPLICATIONS

THESE TRENDS DEPICT A WORLD WHERE THE COMPELLING FORCE OF GROWTH WILL COLLIDE WITH THE CAPACITY OF GOVERNMENTS TO MANAGE CHANGE.

There will be growth in population, wealth, communications, technology, and rising demands on food, fresh water, and energy. Economic benefits will be uneven; resources will be available, although short- term disruptions will occur. *No government will escape the race to match intellectual and material resources with public expectations.*

In this time frame, no country, no ideology, and no movement will emerge on a global scale to threaten US interests or to build and sustain an anti-Western coalition.

Nevertheless, the national security "in-box" of the United States in the year 2010 will hold key challenges, straddling both the old concept of order and the emerging one. These challenges will impact on the use of American military power.

First will be regional challenges from nations whose agendas collide with ours. The force of growth will constrain, but not eliminate their ambitions.

To the extent that the US maintains its conventional military superiority, military competition and conflict is likely to be asymmetrical. For example, while the United States keeps a technological lead, Iran can try to circumvent it with weapons of mass destruction, and by subverting or intimidating Washington's friends and allies.

The second challenge will come from those states who will not be able to keep up with change, and who will see their social fabric fray. Refugee flows, periodic threats of mass death by starvation or disease, and ethnic and civil conflict will force neighboring states to consider intervening to contain spillover effects. The spillover effect could also require intervention from outside powers which possess the capability to transport supplies and equipment, to distribute needed material, to protect those displaced, and to re-establish order. *The call for US intervention--not just in the name of states but in the name of humanity--will be a constant refrain during this time period.*

In the new national security in-box, the necessity to involve nongovernmental and supra-governmental organizations and groups will increase. Humanitarian and relief operations will require greater cooperation between governments and NGOs; economic assistance packages--whether to buttress peace talks in the Middle East, or a

"soft landing" in Korea--will require multilateral efforts; military deployments--whether to separate warring factions or to allow delivery of critical supplies--will require multilateral forces; and environmental protection will require the kind of regional and global cooperation that has already produced more than 900 international environmental agreements.

ROLE OF THE UNITED STATES

How the United States views the world--and how the world views the US--has been shaped by a mere page of history--five decades. American disengagement or continued involvement will determine if that half century is to serve as a model, rather than an aberration. Although trends will unfold regardless of US policies, US policies can help foster a climate where change is benign or violent, steady or unsettling. The ability of the United States to remain engaged will be determined in turn by the power at our disposal--economic vitality, military strength and the consensus on its use, and political cohesion. But given budgetary constraints, and the messiness in implementing new concepts of order, America's success will also hinge to a considerable extent on how effectively it works with nongovernmental agencies, and the degree to which it builds and sustains multilateral cooperation *and* institutions.