

America's Role in the World Working Group  
Institute for the Study of Diplomacy  
Edmund A. Walsh School of Foreign Service  
GEORGETOWN UNIVERSITY

# Characteristics of an Emerging World: Assumptions about the Drivers of Change

November 28, 2006

Sara E. Thannhauser

## America's Role in the World Working Group

The Institute for the Study of Diplomacy of Georgetown University launched the America's Role in the World Working Group Series on November 28, 2006. It will focus on the geopolitical challenges that a new administration—Democrat or Republican—could face beginning in 2009, and seek to define the central foreign policy choices and responses that are likely to be available. While we do not intend to offer specific policy prescriptions, we hope to provide the candidates a comprehensive agenda of issues that could require attention and on which they should be forming views and taking positions. The aim of this working group is to look forward. The working group relies on a permanent "core membership" of generalists from the policymaking and research communities and academia, who are sometimes joined by respected authorities on specific regional or functional topics under consideration. The meetings are chaired by Schlesinger Professor of Strategic Studies Chester Crocker and ISD Board

Chairman Thomas Pickering.

The Institute for the Study of Diplomacy extends a special thanks to those core members and guest participants who laid the groundwork for discussion with their opening remarks. Listed below are the core members of the America's Role in the World Working Group. Not all members participated in the November 28, 2006 session. Core members of the working group were not asked to approve this *Report*. The *Report*, however, relies heavily on the discussions of the group. As such, this document reflects the general ideas of working group members, but is not a consensus document and cannot be ascribed to any individual member.

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## I. INTRODUCTION

The changing global landscape requires a reassessment of U.S. foreign policy in the foreseeable future. The next ten years are likely to be characterized by increased instability due to weakened multilateral institutions, the accelerated rate of globalization, and the rise of transnational issues that are too large to be managed by state action alone (health, environment, weapons of mass destruction/terrorism, and crime). These developments will lead to major transitions in the global order as new regions, problems, and challenges arise demanding the attention of U.S. foreign policy-makers.

At the same time, the U.S. is also in the midst of a domestic political transformation. The Democratic Party now controls both houses of Congress, and President Bush's tenure in office is coming to an end. The political focus will shift to the 2008 presidential election and the foreign policy pressures President Bush's successor will face. Not since 1953 has the U.S. faced an election in which neither a sitting president nor vice-president has been in the election "mix." Moreover, this leadership deficit comes at a time when 58 percent of the American populace believes that the country is not on the right track.<sup>1</sup>

Against this uncertain backdrop, the Institute for the Study of Diplomacy launched the "America's Role in the World Working Group,"

focused on the geopolitical challenges that a new administration—Democrat or Republican—may face in 2009, and defining the central foreign policy choices and responses that are likely to exist. The first meeting, which took place on November 28, 2006, examined the characteristics of the emerging world and speculated on what will be the drivers of change. During the meeting, group members sought to project out a decade or more in an effort to capture the nature of the geopolitical environment in which the next administration might operate.

One hundred years ago, the world was on the cusp of two world wars, the dawn of the nuclear age, and the rise and fall of communism and fascism as commanding ideologies. Yet all these events were largely unanticipated in 1907. Preoccupied by current events and trends, policymakers rarely have the luxury of thinking in broad strategic terms. But participants in the America's Role in the World Working Group set about to do just that, and their findings are recorded below. It is also important to note that on many of the assumptions and challenges highlighted below, a key variable in the equation is how the U.S. will respond. The next president will inherit a great deal of power as America will remain the dominant military force and economic powerhouse producing 25 percent of global output. Though participants will suggest that the U.S. is no longer the power it was at the end of the Cold War, there is no question that U.S. foreign policy actions will have sizeable repercussions on the geopolitical context. The next three working group sessions will focus on challenges, constraints, and choices facing a new administration in 2009.

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1. *NBC News/Wall Street Journal Poll* conducted by the polling organizations of Peter Hart (D) and Bill McInturff (R). Dec. 8-11, 2006. N=1,006 adults nationwide. MoE  $\pm$  3.1

### II. ASSUMPTION 1: A MORE DECENTRALIZED WORLD

Compared to the bipolarity of the Cold War, participants agreed that it is fair to assume that tomorrow's world will be more complex and more decentralized. They argued that the foreign policy framework characterized by the major pillars of the post-World War II era—Bretton Woods, NATO, and the UN—will require major reform in order to deal effectively with the complexities of the new era. Factors driving this complexity and decentralization include: diminished U.S. authority, rising regional players (China, Russia, and India), newly empowered petro-states (Iran, Venezuela, and Russia), shifting security conditions, the empowerment of new technologies, and other transnational issues.

Looking first at the future ability of the U.S. to exert influence on the rest of the world, several participants suggested that America will no longer be as vital in the global scheme. During the Cold War, the primary challenges to American power came from a militarily strong Soviet Union and an economically vibrant Japan. In responding to both, the U.S. became the sole superpower. However, with the fall of the Soviet Union, dependency on the U.S. diminished. Group members argued that as the two post-Cold War decades progressed, world leaders realized that they no longer needed to rely on America for security and prosperity. A substantial disconnect between U.S. foreign policy objectives and the objectives of foreign leaders resulted. Need was replaced by skepticism of U.S. efforts, especially those directed at the promotion of democracy. Multilateral organizations like the Shanghai Cooperation Organization or the East Asia Summit now compete with American influence. Moreover, though the U.S. is still the sole superpower in the world (and will likely remain so for some time), a large percentage of group members argued that due to military overextensions in Afghanistan and Iraq, America will be less able to exert decisive force and influence in the years to come. Besides eroding its military capacity, these interventions have cost the U.S. roughly

half a trillion dollars and inflicted immeasurable damage to its image and prestige.

Participants also pointed to the economic factors that will negatively impact America's ability to conduct effective foreign policy in the future. Continuing deficits combined with a burgeoning aging population will place huge demands on U.S. coffers. As the percentage of entitlement spending increases, the amount of money available for discretionary spending on foreign policy will be reduced. Complicating the situation, the concentration of liquidity in the world is also changing to nontraditional and not necessarily friendly regimes (China, Russia, Saudi Arabia, Nigeria, Venezuela, Indonesia and Algeria). If there were a catastrophic event that required the U.S. to finance its foreign policy response, there is no guarantee that these new creditors would agree to fund an American intervention.

Group members also argued that key rising regional players—China, Russia, and India—will increasingly attempt to provide balance against the U.S. and provide shelter for the targets of American pressures and policies. Presently, Russia and China are rallying support to resist democracy promotion, taking advantage of the fundamental rift triggered by the close association of democracy promotion with U.S. military intervention in the Middle East. Both countries are seeking a return to an international system where sovereignty prevails over interventionist pressures based on humanitarianism and Western policy norms, and where the international norm is not to interfere in the domestic affairs of others. Meanwhile, India is arriving on the world stage as the first large, economically powerful, culturally vibrant, multiethnic, multireligious democracy outside of the geographic West. As it rises, India has the potential to become a leading member of the “political West” and to play a key role in the great political struggles of the next decades.<sup>2</sup>

Participants noted that the increased wealth bestowed upon the regional petro-states of Iran, Venezuela, and Russia, due to persistently high

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2. Mohan, C. Raja, “India and the Balance of Power” (New York: *Foreign Affairs*, July/August 2006, Issue 4)

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energy prices, will also lead to a more complex and less centralized geopolitical system. These newly empowered states will wield political influence beyond their borders and seriously affect global energy markets. Presently, Russia is using its energy wealth to rollback U.S. influence in Central Asia. In Latin America, Venezuelan President Hugo Chavez is funding efforts to undermine U.S. influence, while in the Middle East, Iran continues to defy the international community in pursuit of its nuclear development program. Since the current conditions of rising energy demand and tight supply are likely to be the norm for years to come, members argued that these states will continue to have a durable basis for enhancing their influence.

Group members also pointed to shifting global security conditions, especially in terms of the energy sector and the growing challenges to multilateral institutions like the UN, NATO, and the EU. Recent structural shifts in global energy markets have not only led to powerful petro-states, but it has also forced some energy importing nations to address their perceived energy vulnerability through state-orchestrated strategies to secure access to hydro-carbon resources around the world.<sup>3</sup> China's utilization of this approach is increasingly pitting it against the U.S. in a competition for influence in the oil-producing parts of the Middle East, Central Asia and Africa. In the absence of a dramatic breakthrough on clean renewable energy technologies, the need for energy security could trigger significant global political tensions in the future.

Lack of adequate governance and security in the energy sector is also helping to destabilize producing states and weaken U.S. leverage in multilateral institutions. At the UN Security Council, China and Russia are working with some degree of collaboration to protect egregious oil producing regimes in Sudan and Iran. In the UN Human Rights Council, China and Russia, along with the Organization of the Islamic Conference, have sponsored resolutions defending the right of religious leaders in coun-

tries to make blasphemous statements they disagree with. Similarly, the EU is also experiencing pressure from the lack of energy security. Energy dependence on Russia is driving a wedge between countries like Germany and France and new EU members such as Poland and the Baltic States.

The deterioration of these multilateral institutions is also due to the lack of significant internal reforms. Action by these institutions continues to be hampered by key players who are permitted to play obstructionist roles. The inability of the UN to respond effectively to humanitarian crises in Darfur and North Korea, and Iranian nuclear programs illustrates the challenges to its effectiveness. Members were also concerned of the risk of NATO becoming a less robust institution if it fails to carry out its mission in Afghanistan, and if Britain is the only European country willing to take the risk of substantial casualties. Participants argued that fragile multilateral institutions, combined with America's weakened ability to exert decisive force and influence, will result in a more complex and decentralized world.

Group members also discussed how accelerated economic globalization will lead to a more diverse global system. Propelled by the appearance of fiber optics, the Internet, the World Wide Web, and commercial browsers like Microsoft Explorer and Netscape, individuals are now able to gather and share information with distant parties throughout the globe. Enabled by these developments in information and communication technologies, a new global economy is forming anchored in knowledge, education, skills and connectivity. Participants argued that new information and communication technologies will increase the pace and scope of change across industry sectors and regions. The rise of global issues outside the realm of individual state control will also result in a more complex world. Pandemic diseases, energy, water pollution, global warming, terrorism, and criminal networks are all globalization challenges that surpass the capacities of existing multilateral institutions and the United States. In the 1990s, globalization issues were defined by trade, financial liberalization, and IT. But, group members argued that in the future global-

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3. Flynt Leveretty and Pierre Noel, "The New Axis of Oil" (Washington D.C.: *The National Interest*, Summer 2006)

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ization issues will be defined by transnational threats to energy, resources, and the environment.

Despite these challenges, participants were adamant that the U.S. will maintain significant weight in geopolitics. Several members argued that the situation is not irretrievable. They also pointed to the irony of the enormous and virtually global expectation that, when needed, the U.S. is the only power that can deal with difficult international situations—crisis in Darfur, Iran’s and North Korea’s pursuit of nuclear weapons, and the GWOT. Ironically, the United States’ unilateral actions in Iraq have also led to the global expectation that the U.S. can and will act alone and that the rest of the world can stand on the sideline as free riders, even when they share the same policy objectives. The overarching challenge the next administration will face is how to rebuild U.S. power and influence amidst a more complex and decentralized geopolitical context.

### III. ASSUMPTION 2 AND 3: DIMINISHING PREDICTABILITY AND RISING CHALLENGES TO AUTHORITY

The crises of the 1990s and the tragic events of September 11th exemplify the diminished predictability that will characterize the geopolitical context facing the next administration. Group members calculated that due to the accelerating pace of technological change and expanding roles of non-state actors (multinational corporations, media, entertainment industries, activist groups, non governmental organizations (NGOs), and terrorist groups) one of the pillars of modern world affairs—the nation-state—will face enormous challenges in the future. Advancing technology has provided other actors access to satellites, global communication, massive Internet databases, and weapons of mass destruction—access and functions that were once exclusive to states. New information systems and other technologies are not only empowering business corporations and NGOs, but they are also enabling social groups and individuals to act on the world stage independently of state governments, and sometimes in

defiance of them. The ability of non-state actors to identify and supplement deficiencies within states will have a profound impact on the predictability of future international affairs.<sup>4</sup>

Participants argued that international terrorism will be an especially salient concern in the immediate future. Greater access to technology and expertise makes it easier for terrorist groups to acquire weapons of mass destruction, and the modern-day ease of global travel allows them to conduct violent strikes almost anywhere in the world. At the same time, acquisition of new technologies also makes it more difficult for states to monitor and control the actions of terrorist groups.

America’s weakened ability to exert influence, and technology’s altering of the predictability and rate of change will result in a series of new challenges for the future of U.S. power. At the inter-state level, U.S. policies will continue to be rejected and criticized. Group members noted that global skepticism is in part a natural “balancing” against a superpower, partly growing disenchantment with perceived U.S. hypocrisy on a host of values issues, and partly an orchestrated resistance on the part of particular states who find political, or geopolitical, benefits to opposing America’s value agenda (Venezuela, China, Russia, Zimbabwe, and Iran). For example, participants pointed to U.S. efforts to promote democracy abroad. These policies, once viewed as beneficial, are now often rejected by international public opinion as American hypocrisy: the U.S. is inconsistent in its promotion of democracy, using it as a weapon against hostile governments while supporting friendly autocratic regimes. Many participants also attributed this cynicism to a perverse result of democracy. Rather than an elite undertaking, governments abroad are becoming more responsive to public expectations and opinion, sometimes in opposition to American foreign policy objectives. The more diverse and disparate the voices are, the greater the difficulty for U.S. policymakers to establish

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4. Hans Binnendijk and Richard L. Kugler, *Seeing the Elephant: The U.S. Role in Global Security*, (Washington D.C.: National Defense University Press, 2006)

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the consensus necessary to press for American values and agendas abroad.

Also driving the assumptions of diminishing predictability and rising challenges to the U.S.'s geopolitical authority is the development of a palpable antidemocratic movement. Freedom House noted that "at the end of 2005, there were 89 Free Countries, in which there is broad scope for open political competition, a climate of respect for civil liberties, significant independent civic life, and independent media."<sup>5</sup> Despite democracy's solid record of advancement on a global basis, recent developments pose risk of a counter-trend opposed to Western-based democracy promotion efforts, especially when linked to U.S. coercive power. While the trends vary by region, the democratization process faces a range of significant challenges. For example, Latin America, Africa, and Southeast Asia suffer from weak institutions, underdeveloped political party structures, limits on opposition movements, corruption, and, in some cases, popular demagoguery. The three regions also share the risk of becoming "hijacked" democracies to the degree that (a) long-time incumbents and in some cases new arrivals (Hugo Chávez) are in a position to stack the political deck and manipulate electoral politicking; and/or (b) "people power" movements organize "the street" to force their will upon weak, elected governments that lose touch with their societies.

In the Middle East, group members argued that there is potential for a future where an Islamic based ideology will provide an alternative model to Western democratic governance. Yet, Islamists may also ironically be the primary beneficiaries of a political opening in many Muslim lands. Islamist parties are dividing themselves into religious and political organizations. The religious dimension is designed to appeal to the portion of their base that is committed to a certain set of values, while the political entity is designed to give the party the flexibility to be pragmatic enough to govern effectively. Some members argued that a certain degree of pluralism is forming in the Islamist

movement. Like all political parties, the new Islamist parties will compete with each other and will have to perform in order to maintain influence. Nevertheless, members contended that it is too early to determine whether or not these shifts are a sign of democratization. Participants also drew pessimistic conclusions from the results of democratic elections held in Palestine, the inability of the democratically elected Iraqi government to quell secular violence, and the prevailing number of entrenched autocracies present in the region.

### VI. ASSUMPTION 4: GLOBALIZATION WINNERS AND LOSERS

Another key assumption participants observed is that there is going to be a continuing struggle to shape and define globalization. Throughout the 1990s globalization was interpreted to mean "Americanization." An emblem of this particular equation was "the Washington Consensus"—an economic model promoted by the U.S. beginning in the late 1980s that encourages open economies and capital flows, export-led trade, gross domestic product measured by growth, and "free" trade to combat poverty and inequality in the world. The success of this model has varied by region and by sectors within countries and between countries. Though group members believed that continued robust global economic growth is probable, globalization will not have a global impact. Fatigued by the uneven results of globalization, there is a growing risk that many countries, as evidenced in Venezuela and Bolivia, will revert back to more protectionist and statist based models.

At the same time, group members argued that globalization, in and of itself, will continue to be an important driver of international politics for years to come. The difference being that it will take on a more Asian face. China, India, Japan, South Korea, and Singapore have all benefited greatly by expanding their export markets. China specifically has become a huge export engine and is piling up enormous trade surpluses, and intra-Asian trade and financial flows are soaring. However, international regu-

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5. Arch Puddington, "Freedom in the World 2006," (Washington D.C.: *Freedom House*, 2006)

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latory and transparency issues have given rise to a host of concerns. Unburdened by high labor costs and patent restraints, and assisted by subsidies and weak regulations, industries in countries like China have gained a competitive edge over those in less developed regions and the developed West. It remains to be seen what the impact of the apparent failure of the Doha Round of trade negotiations will have down the line. Additionally, group members debated the effects of the present existence of huge trade imbalances. Some members feared that rising imbalances created by U.S. fiscal and trade deficits and the level of debt held by Japan and China are worrisome. World economic growth has been good in recent years, but as Joseph Stiglitz argues, “for how long can the global economy endure America’s enormous trade deficits—the United States borrows close to \$3 billion a day—or China’s growing trade surplus of almost \$500 million a day?”<sup>6</sup> Others in the group were less worried with Asia’s accumulation of U.S. debt. Instead they argued that the critical role of the dollar for intra-Asian and global trade will create common interest between the U.S. and foreign holders of massive dollar reserves who will not want to see their value fall.

### V. ASSUMPTION 5: CHANGING THE REGIONAL FOCUS

The previous four assumptions—1) that the U.S. will face a world more complex and decentralized, 2) that there will be diminishing predictability, 3) that the U.S. authority will be increasingly challenged, and 4) that globalization, though imbalanced, will continue to drive international politics—all pertain to the overall geopolitical context that will face the next administration. In this section, group members made assumptions regarding the changing nature of U.S. regional relationships.

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6. For more on this argument see Joseph E. Stiglitz, “How to Fix the Global Economy,” (New York: *The New York Times*, October 3, 2006) and Martin Wolf, “America Could Slow Down the World,” (London: *The Financial Times*, September 27, 2006)

Participants generally agreed that the U.S. will increasingly direct its attention towards Asia in the decade ahead, particularly in the direction of the three key players—China, Japan, and India. They argued that the rise of China and India will transform the geopolitical landscape, quickly making the post-World War II categories of “east/west” and “north/south” irrelevant. There are many nuances involved in this shift in the center of gravity in world politics. First, participants debated the potential for improved relations between the U.S. and China. Beijing continues to be substantially dependent on U.S. trade and investment to sustain its own high levels of economic growth. For some participants, this dependency will influence Chinese leaders to maintain political stability and good relations with the U.S. These group members also argued that because of this interdependency, China has strong incentives to ensure that potential economic downturns in the U.S. are limited.

Moreover, these members also saw potential upsides for the United States independent of whether Sino-Japanese relations worsen or improve. If their relations decline, China will most likely turn to the U.S. as a container and a constrainer of Japan. If their relations progress, these members argued that the U.S. would also be better off in that it would not have to choose between Tokyo and Beijing.

Thirdly, these participants also argued that while there will be a great deal of tension and difference over tactics, the North Korea nuclear challenge has the potential to draw China and the U.S. together. In terms of Taiwan, these members were also encouraged by the decrease in tensions over the last two years.

Contrasting this assessment, a significant proportion of the group interpreted Sino-American relations less optimistically. First, they pointed to Beijing’s concerns about its growing needs and its continuing vision of energy relationships in essentially zero sum terms. This vision inherently pits it in direct competition with U.S. foreign policies towards Iran, Russia, Central Asia, Africa, and parts of Latin America. Second, there is still tremendous potential for an escalating confrontation between the mainland and Taiwan. Third, domestically China is

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experiencing the effects of its incredible economic transition. Looming conflicts between China's regional and local authorities in the central government and high-levels of corruption give rise to fears that political deficiencies will detract from its ability to maintain growth. Finally, these participants pointed to a recent statistic published in the *People's Daily* which forecasts a less optimistic future for China: the country needs to create twenty-five million jobs this year, but it only created eleven million jobs in 2006.

Another key region that will command U.S. attention for years to come is the Middle East. Group members observed that the Middle East is in the midst of a political transition with limited prospects for significant improvement over the short-term. The region is nearing a tipping point in what has been a long-term trend away from post-colonial secular nationalism, to a more sectarian driven politics. Such a transition will increase pressure on regimes in countries like Egypt, Jordan and Syria. Resource rich regimes (as present in Saudi Arabia) are in a better position to weather the political storm since increased energy revenues create opportunities to buy off opposition and stem falling standards of living. Group members agreed that Iraq will be unstable for many years and that the Israeli-Palestinian conflict will continue to limit the prospects for peace in the region.

An additional factor driving this assumption is the presence of fundamental divisions such as the Sunni/Shia divide, or ethnic ones, between Arabs and Kurds. Group members asserted that the outcome in Iraq will be critical to these divisions. Any form of split into three component nations that make up Iraq could spark a series of changes to the entire political geography of the Middle East. Deepening Sunni/Shia enmity will also play a role in shaping the proliferation environment in the region.

All of this leads to what group members believe will be the central focal point in the Middle East—the non-Arab power of Iran. Participants agreed that Iran will be a major driver of change in the Middle East over the next five to ten years, and it will almost certainly be a major challenge to the U.S. strategically. Higher energy prices will enhance Iran's potential, but

also it will give incentives for other countries—China, India, Russia, and perhaps even Japan—to court it for energy supplies.

Geopolitically, Iran occupies a pivotal place between Central Asia, South Asia, the Levant, and the Persian Gulf. Ideologically, the country aspires to reach over Sunni leaders and appeal to the Sunni masses and radicals as the Muslim power with the ability to stand up to the United States. Predominantly Sunni countries—like Saudi Arabia, Egypt, and Jordan—are apprehensive about Iran's growing reach. Furthermore, group members assessed that Iran will continue its quest to acquire nuclear weapons.

Most ominously, group members predicted that terrorism and militant Islam will continue to spread geographically throughout the Middle East. They also predicted that terrorism is likely to become more complicated due to the rise of Iran and its ability to use non-state actors, particularly, Lebanese Hezbollah, as a proxy. The Sunni regimes in the region are increasingly of the view that the terrorism challenge that they are likely to face in the next half decade is not only going to be from the traditional terrorism challenge of Sunni jihadists, but also from the challenge of Iranian sponsored Shia extremism.

In terms of Europe, participants discussed whether or not that trans-Atlantic ties will recover as a result of a change in U.S. administration. According to some members, divergent policies regarding the Middle East, specifically the Israeli-Palestinian conflict, divisions in NATO, and differences on global issues like climate change, will allow for a continuation of the present strain between Europe and the United States. They also point to another factor that has the potential to increase trans-Atlantic tensions—the growing Muslim component to European politics will reinforce the already inherent differences in European and American Middle East policies. Europe's dependency on Russia for energy also has the potential to weaken trans-Atlantic ties. Other members argued that even though U.S.-Europe relations have soured, there still exists a strong desire in Europe for improvement in the relationship.

A bilateral relationship that will continue to be vital for U.S. relations with Europe and

Central Asia is Russia. Moscow is awash with cash as a result of high energy prices. According to group members, the geopolitical leverage provided by the energy market boom is allowing the country to gradually increase its influence in Europe and Central Asia. Moscow's efforts to politicize energy issues will not bode well for U.S.-Russian relations. Furthermore, an interesting power balancing triangular relationship—U.S.-China-Russia—is developing with each player concerned about the relations with the other two. Europe will be directly affected by the evolution of this triangle.

Relations with Africa and Latin America will also be important for the next administration. Group members argued that both regions will remain economically constrained and internally focused and will not have a decisive political impact beyond their geographic borders. Bypassed by globalization, many parts of Africa and Latin America suffer from the affects of poverty and inequality. Yet, both regions are growing in importance. Instead of the political competition once present in these regions during the Cold War, there is now growing competition for their resources. Migration issues are also critical for both regions. As long as Africa remains relatively economically impoverished, Europe will continue face a wave immigrants in search of a better life abroad. Similarly, if the inequality persists in Latin America, the United States will continue to experience an influx of immigrants.

Security concerns also arise from both regions. In Africa, the instability present in the Horn and the Niger Delta are of strategic concern to the U.S. American officials are increasingly aware of African challenges—health, energy, terrorism, China's role, and state failure—a factor leading to the Department of Defense's regional Africa Command. Political shifts in Latin America are also worth noting. Cuba post-Fidel Castro will have an interesting impact on U.S.-Latin America relations, as will Hugo Chávez's persistent anti-American antics.

## **VI. ASSUMPTION 6: A NEW TRANSNATIONAL AGENDA**

As mentioned above, in the 1990s globalization issues were defined by trade, financial liberaliza-

tion, and IT. For the next administration, the key globalization issues will be defined by energy, resources, health, and the environment. Group members predicted that access to and availability of natural resources—especially energy and fresh water—will have a major impact on geopolitics in the 21st century. Similarly, the related issues of climate change and threatened ecosystem services such as the depletion of ocean fisheries will also affect the future geopolitical context.

Global energy addiction not only fuels Islamic radicalism and petro-authoritarianism, but also climate change, pollution, and species loss. However, group members argued that the United States is poorly positioned to shape what happens in this regard. The U.S. is seen as having aggressively used natural resources to fuel its development, and as having failed to step up to its responsibility for climate change once its effects became clear. Global catastrophic weather events are increasingly likely to be linked scientifically and politically to U.S. hydro-carbon usage. China may soon become a bigger hydro-carbon polluter than the U.S., but persuading Beijing to do something about it will be nearly impossible unless America acts first.

Group members argued that the energy independence discussion will move from how to increase hydro-carbon supplies to how to decrease demand—through increased efficiency, conservation, and aggressive development of renewable energy sources such as ethanol and other biofuels from cellulosic biomass, nuclear, wind, solar. But, each alternative has significant environmental considerations.

Members also discussed demographic pressures and access to clean water and basic sanitation. Water and sanitation are essential to human health, to reducing poverty, and to expanding opportunity. The world's population has doubled over the last century and water usage has grown accordingly. Moreover, increased economic growth also leads to higher water usage, increasing the potential for environmental degradation and conflict over access to fresh water supplies. Other demographic issues discussed by group members include a growing number of youth bulges in the developing world and an aging population in Europe,

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Russia, Japan, and the United States. Youth bulges without economic opportunity and social mobility have the potential to create instability. On the other hand, aging populations will strain national budgets and crowd out the discretionary spending used for other priorities.

Global health will also be a key globalization issue of concern for the 21st century. The ease of global travel not only permits terrorists to strike anywhere, but it also increases the likelihood of a global pandemic caused by super viruses like A-H5, better known as the Avian Flu.

Group members agreed that energy, access to resources and water supply, demographics, hydro-carbon-driven climate change, and pandemic disease are all challenges that surpass the capacities of individual states, existing multilateral organizations, and the United States. Without improved mechanisms and institutions that can organize and coordinate an effective global response, participants agreed that these issues have the potential to create unmatched security and stability crises.

### VII. CONCLUSION

In total, the group identified six major assumptions that may characterize the global environment that will face President Bush's successor:

- the geopolitical context will be more complex and less centralized;
- the predictability of change will decrease;
- there will be new challenges to U.S. authority;
- there will continue to be globalization winners and losers;
- there will be a shift in U.S. regional focus;
- transnational issues outside of the control of states will lead to instability and governance challenges.

These assumptions will be critical as the group moves forward in its investigation of America's Role in the World.