



GLOBAL TRENDS
PARADOX OF
PROGRESS

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Letter from the Chairman of the National Intelligence Council



Thinking about the future is vital but hard. Crises keep intruding, making it all but impossible to look beyond daily headlines to what lies over the horizon. In those circumstances, thinking “outside the box,” to use the cliché, too often loses out to keeping up with the inbox. That is why every four years the National Intelligence Council (NIC) undertakes a major assessment of the forces and choices shaping the world before us over the next two decades.

This version, the sixth in the series, is titled, “Global Trends: The Paradox of Progress,” and we are proud of it. It may look like a report, but it is really an invitation, an invitation to discuss, debate and inquire further about how the future could unfold. Certainly, we do not pretend to have the definitive “answer.”

Long-term thinking is critical to framing strategy. The *Global Trends* series pushes us to reexamine key assumptions, expectations, and uncertainties about the future. In a very messy and interconnected world, a longer perspective requires us to ask hard questions about which issues and choices will be most consequential in the decades ahead—even if they don’t necessarily generate the biggest headlines. A longer view also is essential because issues like terrorism, cyberattacks, biotechnology, and climate change invoke high stakes and will require sustained collaboration to address.

Peering into the future can be scary and surely is humbling. Events unfold in complex ways for which our brains are not naturally wired. Economic, political, social, technological, and cultural forces collide in dizzying ways, so we can be led to confuse recent, dramatic events with the more important ones. It is tempting, and usually fair, to assume people act “rationally,” but leaders, groups, mobs, and masses can behave very differently—and unexpectedly—under similar circumstances. For instance, we had known for decades how brittle most regimes in the Middle East were, yet some erupted in the Arab Spring in 2011 and others did not. Experience teaches us how much history unfolds through cycles and shifts, and still human nature commonly expects tomorrow to be pretty much like today—which is usually the safest bet on the future until it is not. I always remind myself that between Mr. Reagan’s “evil empire” speech and the demise of that empire, the Soviet Union, was only a scant decade, a relatively short time even in a human life.

Grasping the future is also complicated by the assumptions we carry around in our heads, often without quite knowing we do. I have been struck recently by the “prosperity presumption” that runs deep in most Americans but is often hardly recognized. We assume that with prosperity come all good things—people are happier, more democratic and less likely to go to war with one another. Yet, then we confront a group like ISIL, which shares none of the presumption.

Given these challenges to thinking about the future, we have engaged broadly and tried to stick to analytic basics rather than seizing any particular worldview. Two years ago, we started with exercises identifying key assumptions and uncertainties—the list of assumptions underlying US foreign policy was stunningly long, many of them half-buried. We conducted research and consulted with numerous experts in and outside the US Government to identify and test trends. We tested early themes and arguments on a blog. We visited more than 35 countries and one territory, soliciting ideas and

feedback from over 2,500 people around the world from all walks of life. We developed multiple scenarios to imagine how key uncertainties might result in alternative futures. The NIC then compiled and refined the various streams into what you see here.

This edition of *Global Trends* revolves around a core argument about how the changing nature of power is increasing stress both within countries and between countries, and bearing on vexing transnational issues. The main section lays out the key trends, explores their implications, and offers up three scenarios to help readers imagine how different choices and developments could play out in very different ways over the next several decades. Two annexes lay out more detail. The first lays out five-year forecasts for each region of the world. The second provides more context on the key global trends in train.

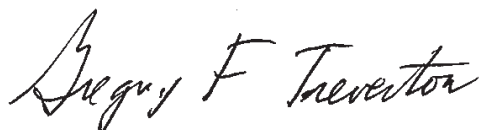
The fact that the National Intelligence Council regularly publishes an unclassified assessment of the world surprises some people, but our intent is to encourage open and informed discussions about future risks and opportunities. Moreover, *Global Trends* is unclassified because those screens of secrets that dominate our daily work are not of much help in peering out beyond a year or two. What is a help is reaching out not just to experts and government officials but also to students, women's groups, entrepreneurs, transparency advocates, and beyond.

Many minds and hands made this project happen. The heavy lifting was done by the NIC's Strategic Futures Group, directed by Dr. Suzanne Fry, with her very talented team: Rich Engel, Phyllis Berry, Heather Brown, Kenneth Dyer, Daniel Flynn, Geanetta Ford, Steven Grube, Terrence Markin, Nicholas Muto, Robert Odell, Rod Schoonover, Thomas Stork, and dozens of Deputy National Intelligence Officers. We recognize as well the thoughtful, careful review by NIC editors, as well as CIA's extremely talented graphic and web designers and production team.

Global Trends represents how the NIC is thinking about the future. It does not represent the official, coordinated view of the US Intelligence Community nor US policy. Longtime readers will note that this edition does not reference a year in the title (the previous edition was *Global Trends 2030*) because we think doing so conveys a false precision. For us, looking over the "long term" spans the next several decades, but we also have made room in this edition to explore the next five years to be more relevant in timeline for a new US administration.

We hope this *Global Trends* stretches your thinking. However pessimistic or optimistic you may be about the years ahead, we believe exploring the key issues and choices facing the world is a worthy endeavor.

Sincerely,

A handwritten signature in black ink that reads "Gregory F. Treverton". The signature is written in a cursive, flowing style.

Gregory Treverton,
Chairman, National Intelligence Council



THE FUTURE SUMMARIZED

We are living a paradox: The achievements of the industrial and information ages are shaping a world to come that is both more dangerous and richer with opportunity than ever before. Whether promise or peril prevails will turn on the choices of humankind.

The progress of the past decades is historic—connecting people, empowering individuals, groups, and states, and lifting a billion people out of poverty in the process. But this same progress also spawned shocks like the Arab Spring, the 2008 Global Financial Crisis, and the global rise of populist, anti-establishment politics. These shocks reveal how fragile the achievements have been, underscoring deep shifts in the global landscape that portend a dark and difficult near future.

The next five years will see rising tensions within and between countries. Global growth will slow, just as increasingly complex global challenges impend. An ever-widening range of states, organizations, and empowered individuals will shape geopolitics. For better and worse, the emerging global landscape is drawing to a close an era of American dominance following the Cold War. So, too, perhaps is the rules-based international order that emerged after World War II. It will be much harder to cooperate internationally and govern in ways publics expect. Veto players will threaten to block collaboration at every turn, while information “echo chambers” will reinforce countless competing realities, undermining shared understandings of world events.

Underlying this crisis in cooperation will be local, national, and international differences about the proper role of government across an array of issues ranging from the economy to the environment, religion, security, and the rights of individuals. Debates over moral boundaries—to whom is owed what—will become more pronounced, while divergence in values and interests among states will threaten international security.

It will be tempting to impose order on this apparent chaos, but that ultimately would be too costly in the short run and would fail in the long. Dominating empowered, proliferating actors in multiple domains would require unacceptable resources in an era of slow growth, fiscal limits, and debt burdens. Doing so domestically would be the end of democracy, resulting in authoritarianism or instability or both. Although material strength will remain essential to geopolitical and state power, the most powerful actors of the future will draw on networks, relationships, and information to compete and cooperate. This is the lesson of great power politics in the 1900s, even if those powers had to learn and relearn it.

The US and Soviet proxy wars, especially in Vietnam and Afghanistan, were a harbinger of the post-Cold War conflicts and today’s fights in the Middle East, Africa, and South Asia in which less powerful adversaries deny victory through asymmetric strategies, ideology, and

societal tensions. The threat from terrorism will expand in the coming decades as the growing prominence of small groups and individuals use new technologies, ideas, and relationships to their advantage.

Meanwhile, states remain highly relevant. China and Russia will be emboldened, while regional aggressors and nonstate actors will see openings to pursue their interests. Uncertainty about the United States, an inward-looking West, and erosion of norms for conflict prevention and human rights will encourage China and Russia to check US influence. In doing so, their “gray zone” aggression and diverse forms of disruption will stay below the threshold of hot war but bring profound risks of miscalculation. Overconfidence that material strength can manage escalation will increase the risks of interstate conflict to levels not seen since the Cold War. Even if hot war is avoided, the current pattern of “international cooperation where we can get it”—such as on climate change—masks significant differences in values and interests among states and does little to curb assertions of dominance within regions. These trends are leading to a spheres of influence world.

Nor is the picture much better on the home front for many countries. While decades of global integration and advancing technology enriched the richest and lifted that billion out of poverty, mostly in Asia, it also hollowed out Western middle classes and stoked pushback against globalization. Migrant flows are greater now than in the past 70 years, raising the specter of drained welfare coffers and increased competition for jobs, and reinforcing nativist, anti-elite impulses. Slow growth plus technology-induced disruptions in job markets will threaten poverty reduction and drive tensions within countries in the years to come, fueling the very nationalism that contributes to tensions between countries.

Yet this dreary near future is hardly cast in stone. Whether the next five or 20 years are brighter—or darker—will turn on three choices: How will individuals, groups, and governments renegotiate their expectations of one another to create political order in an era of empowered individuals and rapidly changing economies? To what extent will major state powers, as well as individuals and groups, craft new patterns or architectures of international cooperation and competition? To what extent will governments, groups, and individuals prepare now for multifaceted global issues like climate change and transformative technologies?

Three stories or scenarios—“Islands,” “Orbits,” and “Communities”—explore how trends and choices of note might intersect to create different pathways to the future. These scenarios emphasize alternative responses to near-term volatility—at the national (Islands), regional (Orbits), and sub-state and transnational (Communities) levels.

- **Islands** investigates a restructuring of the global economy that leads to long periods of slow or no growth, challenging both traditional models of economic prosperity and the presumption that globalization will continue to expand. The scenario emphasizes the challenges to governments in meeting societies’ demands for both economic and physical security as popular pushback to globalization increases, emerging technologies transform work and trade, and political instability grows. It underscores the choices governments will face in conditions that might tempt some to turn inward, reduce support for multilateral cooperation, and adopt protectionist policies, while others find ways to leverage new sources of economic growth and productivity.

- **Orbits** explores a future of tensions created by competing major powers seeking their own spheres of influence while attempting to maintain stability at home. It examines how the trends of rising nationalism, changing conflict patterns, emerging disruptive technologies, and decreasing global cooperation might combine to increase the risk of interstate conflict. This scenario emphasizes the policy choices ahead for governments that would reinforce stability and peace or further exacerbate tensions. It features a nuclear weapon used in anger, which turns out to concentrate global minds so that it does not happen again.
- **Communities** shows how growing public expectations but diminishing capacity of national governments open space for local governments and private actors, challenging traditional assumptions about what governing means. Information technology remains the key enabler, and companies, advocacy groups, charities, and local governments prove nimbler than national governments in delivering services to sway populations in support of their agendas. Most national governments resist, but others cede some power to emerging networks. Everywhere, from the Middle East to Russia, control is harder.

As the paradox of progress implies, the same trends generating near-term risks also can create opportunities for better outcomes over the long term. If the world were fortunate enough to be able to take advantage of these opportunities, the future would be more benign than our three scenarios suggest. In the emerging global landscape, rife with surprise and discontinuity, the states and organizations most able to exploit such opportunities will be those that are resilient, enabling them to

adapt to changing conditions, persevere in the face of unexpected adversity, and take actions to recover quickly. They will invest in infrastructure, knowledge, and relationships that allow them to manage shock—whether economic, environmental, societal, or cyber.

Similarly, the most resilient societies will likely be those that unleash and embrace the full potential of all individuals—whether women and minorities or those battered by recent economic and technological trends. They will be moving with, rather than against, historical currents, making use of the ever-expanding scope of human skill to shape the future. In all societies, even in the bleakest circumstances, there will be those who choose to improve the welfare, happiness, and security of others—employing transformative technologies to do so at scale. While the opposite will be true as well—destructive forces will be empowered as never before—the central puzzle before governments and societies is how to blend individual, collective, and national endowments in a way that yields sustainable security, prosperity, and hope.