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IMAGINING THE FUTURE: THE WORLD IN 2020

Barry Desker

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Crystal ball gazing into the future has become a trend. Many projections however tend to look too far ahead. What will the world look like in 2020?

OVER THE past year, economies around the globe have dipped into recession and the confident view of continuing economic growth has been replaced by the spectre of another great depression. Amidst the doom and gloom, I have found that there is considerable interest in projections of the future. Having sat through many an assessment of the 'World in 2050', I have become increasingly sceptical of such long-term assessments.

They often seem to project into the future current trends without looking at the capacity of societies to change outcomes through mitigation and adaptation as well as through revolutionary breakthroughs. Perspectives which use a five- or ten-year horizon appear more grounded in reality. This has led me into my own effort at crystal ball gazing in the field of international affairs.

End of the Anglo-Saxon Model?

First, there is general consensus on the continuing rise of emerging powers such as China and India as well as the resurgence of Russia. By 2020, China will be on the way to becoming the world's second largest economy. India will grow at a steadier pace. Russia will re-emerge because of its oil and mineral resources. Brazil, Iran, Indonesia and Turkey will be more influential if economic growth and political stability can be sustained over the next decade. Although the United States will be the leading global power, the unipolar moment of American dominance has passed and the US will exercise global leadership only if it can encourage action by a coalition of powers. While no state will directly challenge the US for global leadership, we can expect rising powers such as China to be increasingly influential in states and regions surrounding them as well as in regions such as Africa which have felt neglected by the US since the end of the Cold War.

Secondly, we should expect a turn to greater regulation and calls for changes in the structure of global political and economic governance. The current economic recession has undermined the Anglo-Saxon

model of efficient stable markets where the pricing of stocks or housing was deemed to reflect the rational behaviour of individuals. The implosion of the US sub-prime market and the widespread coverage of financial excesses and regulatory weaknesses such as the extent of the Bernie Madoff fraud will lead to pressure for stronger domestic and international oversight and tighter regulation. European leaders have already started pushing for greater regulation at the recent G-20 meeting of finance ministers while East Asian states will be more confident of their own models of freer trade with highly regulated financial markets and state capitalism.

The ‘Darfur Syndrome’

If international political and economic institutions are to maintain their influence in setting the norms and writing the rules for global society, they need to change their decision-making structures. It is inconceivable that China, for example, has a smaller share of the weighted vote in the International Monetary Fund than the combined vote of Belgium and the Netherlands. Similarly, the UN Security Council will find it increasingly difficult to justify the current composition of its permanent membership, a legacy of the outcome of the Second World War. As the European Union moves in the direction of the implementation of a common security policy, the legitimacy of the presence of the United Kingdom and France as permanent Council members will be contested.

Thirdly, there will be increasing competition over scarce resources such as energy, water and food. The growing attention to climate change and its negative impact on the global environment has led to these issues becoming ‘securitised’. By contrast, in the last 30 years, the perception was that the success of the Green Revolution in agriculture and the low cost of energy suggested that faster economic growth was possible without difficult economic choices.

The risk of intra-state conflicts over food and water resources will attract growing attention. Today 21 countries either lack croplands or water. By 2025, 36 countries with total population of 1.4 billion will be in this category. The competition between herdsman and agricultural communities in Darfur (Sudan) is at the heart of the conflict although it is often discussed in terms of tribal, ethnic and religious differences. Because of food security concerns, there has also been growing investment in agriculture in developing countries by rising powers such as China, South Korea and Saudi Arabia. This has been accompanied by claims of neo-colonialism, as in China’s acquisition of large tracts of arable land in Mozambique to be farmed by Chinese labourers.

Policy-Making in A Messy World

Outside of the Middle East and Russia, we should anticipate declines in oil production. As oil production flattens, there will be growing utilisation of natural gas. However, reserves are highly concentrated. Russia, Iran and Qatar hold over 57% of global natural gas reserves. The 2008 experience of US\$147 per barrel of oil will push technological development in alternative sources of energy, especially in clean coal technologies. The United States, China, India and Russia hold 67% of global coal reserves and the US and China can be expected to drive this adaptation trend. But implementation will lag breakthroughs in technology – because of infrastructural costs and the time needed for replacement of existing technologies.

The world will increasingly become a messy place. Just as economists have found that markets in the real world are imperfect, diplomats and security officials will have to adjust to the disorder of a rapidly changing environment. Unlike the certainties of the Cold War, the decade ahead will be marked by shifting coalitions based on the temporary sharing of interests. Flexibility, innovation and the ability to adjust rapidly to changing circumstances will be the hallmarks of effective policy-making.

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