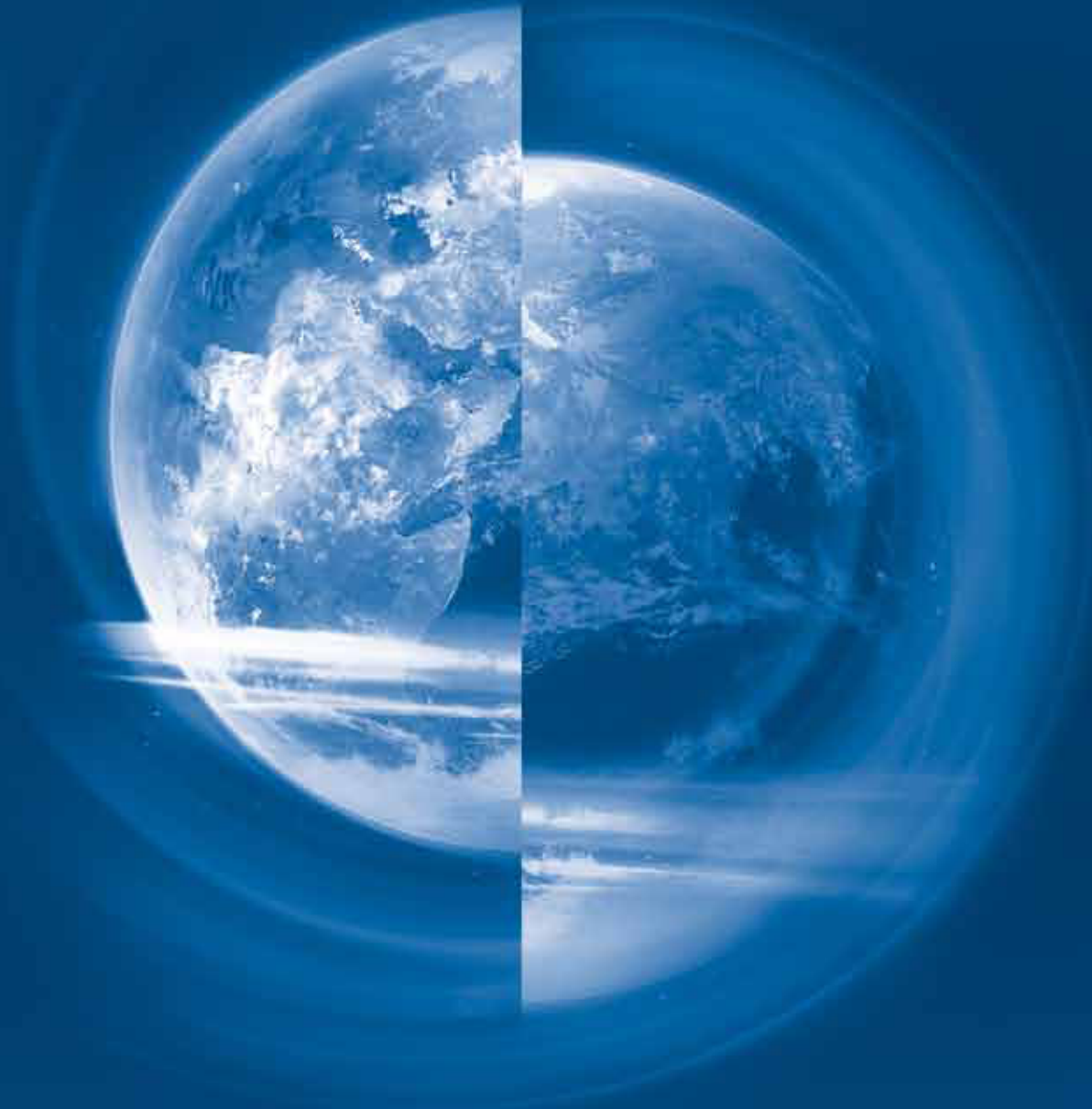




**POST-CRISIS
WORLD
INSTITUTE**



VISION–2050
A NEW POLITICAL AND ECONOMIC
MAP OF THE WORLD

International research by the Post-Crisis World Institute

February – May 2013

The 'Foundation for Facilitating Research and Social Forecasting of the Post-Crisis World' (the Post-Crisis World Institute) is an independent analytical centre, created in Moscow at the start of 2009 on the initiative of several well-known Russian organizations: the Public Opinion Foundation (www.fom.ru), the non-commercial partnership centre 'Business Solidarity' (www.kapitalisty.ru), the Stock Market Development Centre (www.crfr.ru) and others.

The Institute's activities are aimed at facilitating dialogue between the expert community, business circles, civil society and governmental structures in order to support effective anti-crisis decisions – particularly those concerning the creation of a favourable climate in which small and medium businesses can operate successfully.

The principle of global expert analysis lies at the heart of the Institute's research. By analyzing the expectations of the world's current intellectual elites, not only can we trace current trends in their worldviews, we are also often able to forecast how events will develop in the short-term.

The foundation's pool of experts is constantly being refreshed; it currently numbers over 1,000 experts from 85 countries. Among them are economists and financial analysts; academics from the Sciences, Social Sciences and Humanities; owners and top managers of leading international companies; cultural figures; journalists; politicians and officials.

The Post-Crisis World Institute regularly conducts international surveys of experts, with up to 300 experts from over 50 countries taking part in each one.

The Institute's research is regularly presented in a number of CIS states. Reports on the research findings, in both Russian and English, are submitted to various international organizations (the UN, the EU, NATO, the IMF and others); the heads of state and heads of national governments of countries belonging to the G20, the EU, the CIS and others; the embassies of foreign states in Moscow; as well as the world's leading universities, scientific research institutes and the media.

The full texts of the Post-Crisis World Institute's reports can be found online at www.postcrisisworld.org in the 'Global Expertise' section.

The Institute is glad to collaborate with all individuals and organizations that share its goals and values.

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COLLECTIVE ANALYSIS BY EXPERTS FROM AROUND THE WORLD

A REFLECTION ON THE FUTURE

Prediction is very difficult, especially if it's about the future.

Niels Bohr

If men define situations as real, they are real in their consequences.

William Isaac Thomas

The future has always been a source of both hope and fear for mankind. Yet any reflection on the future is important above all from the perspective of self-determination in the present. What preparations should be made, what decisions should be taken, what path should be chosen? These questions are particularly pressing for politicians and businesspeople, as the fate of entire communities depends on their decisions – from a small company to a country or even a region.

In previous eras, shifts in the development trajectories of communities, nations and the world occurred slowly and with difficulty. A political or economic manager always had time to join the innovators or give preference to a conservative position, according to the conclusions of his deliberations and intuition. Today, however, the acceleration of historical time is almost considered a proven scientific fact.

When reflecting on the future of our planet, the global intellectual elite, as usual, seeks corridors of opportunities. The post-modern age has introduced its own particular qualities into this perennial search, extending the range of choice to the maximum extent and attempting to combine opposites. The optimistic ‘end of history’ of Francis Fukuyama, which envisaged the inevitable triumph of liberalism¹, is at odds with Immanuel Wallerstein’s ‘end of history’², which foretells the collapse of the global capitalist economy; it is accompanied by the inevitable ‘clash of civilizations’ predicted by Samuel Huntingdon³.

‘Liquid modernity’ or ‘modernity without illusions’⁴, as well-known sociologist of postmodernism Zygmunt Bauman describes our age, is distinguished not only by the high concentration of events occurring within a given time period. There are also rapid changes occurring in all areas of human existence. The main trends and axioms of yesterday are today being thrown into doubt.

The global economic crisis further accentuated the problems of globalization. Demand for cultural and political variety is once again arising. Previously, national particularities which clashed with ‘rational uniformity’ were seen as an obstacle to development, whereas now those who strive to maintain their identity are finding success. In politics, business, social development and cultural development it is becoming harder and harder to answer the question ‘what should be done?’

The World Economic Forum in Davos has always been an indicator of the mood of the global elite. Last year, the term ‘dystopia’ appeared for the first time in the WEF’s traditional report. ‘Dystopia’ describes a situation where global risks are interconnected and act simultaneously. It was also noted that not one of the most serious risks could be contained within national borders.

This year, the WEF report again says that mankind is continuing to sow the ‘seeds of dystopia’. At the same time, the 2013 Davos Forum acknowledged the total lack of new approaches:

¹ Fukuyama, F. *The End of History and the Last Man*, 1992.

² Wallerstein, I. *The End of the World As We Know It: Social Science for the Twenty-First Century*, 1999.

³ Huntingdon, S. *The Clash of Civilizations and the Remaking of the World Order*, 1996.

⁴ Bauman, Z. *Liquid modernity*, 2000.

the world is tired of fearing the crisis, but there are no fresh ideas. Developed countries are in a state of bewilderment, while developing countries look at the leaders with even greater perplexity.

In this situation we are turning to collective analysis by experts from around the world – the intellectual elite of various countries and continents. Firstly, this approach has a certain capacity to generate foresight. For instance, in one of our Institute’s research projects from 2009, the expert community essentially predicted the onset of the events which soon came to be known as the ‘Arab Spring’⁵.

Secondly, it is well known that expectations about the future set the trajectory of movement towards that future. Of course, various ‘black swans’ may enter the course of events, as has happened repeatedly in the past. Nevertheless, collective analysis by global experts sheds light on a wide spectrum of opportunities and threats, both for the world as a whole and for individual regions.

In this research we investigate the main problems and challenges which humanity is going to face up to the year 2050; whether these problems are going to be overcome; how effectively they are going to be overcome and with which resources; which countries and regions are going to be successful in this regard; and which are going to have the lowest chances of success.

INTERNATIONAL RESEARCH PASSPORT

1. SURVEY OF EXPERTS

A survey of 303 experts from 63 countries was conducted between February and May 2013. The selection of experts was made on the basis of two attributes: profession represented and country of work. Participants in the survey included economists and financial analysts, company owners and top managers, journalists who write about economic and political topics, academics working in science, the humanities and the social sciences, as well as politicians and officials.

The experts were asked to respond to a series of questions, either verbally or in writing, which concerned their vision of the future world up to 2050, following a standardized survey form. This allowed us to conduct both qualitative and quantitative analysis of the data⁶.

The experts’ assessments were analysed and compared in separate groups based on geographical location. The experts were divided into three groups: specialists from developed countries (according to the IMF’s list), those from developing countries and those from post-Soviet countries. This division was prompted by the research objective of identifying the contours of the future world. Content analysis of the results exposed significant differences in the moods and assessments of the different expert groups with regard to a number of issues. This report refers to differences which were found to have a high level of significance.

2. DESK REVIEW OF OPEN SOURCES

While the survey was being prepared, a desk review of open sources was conducted: reports by the United Nations (UN), the World Bank, the International Economic Forum and other international research organizations; scholarly monographs; publications in the current press; ratings by the international ratings agencies and analytical centres.

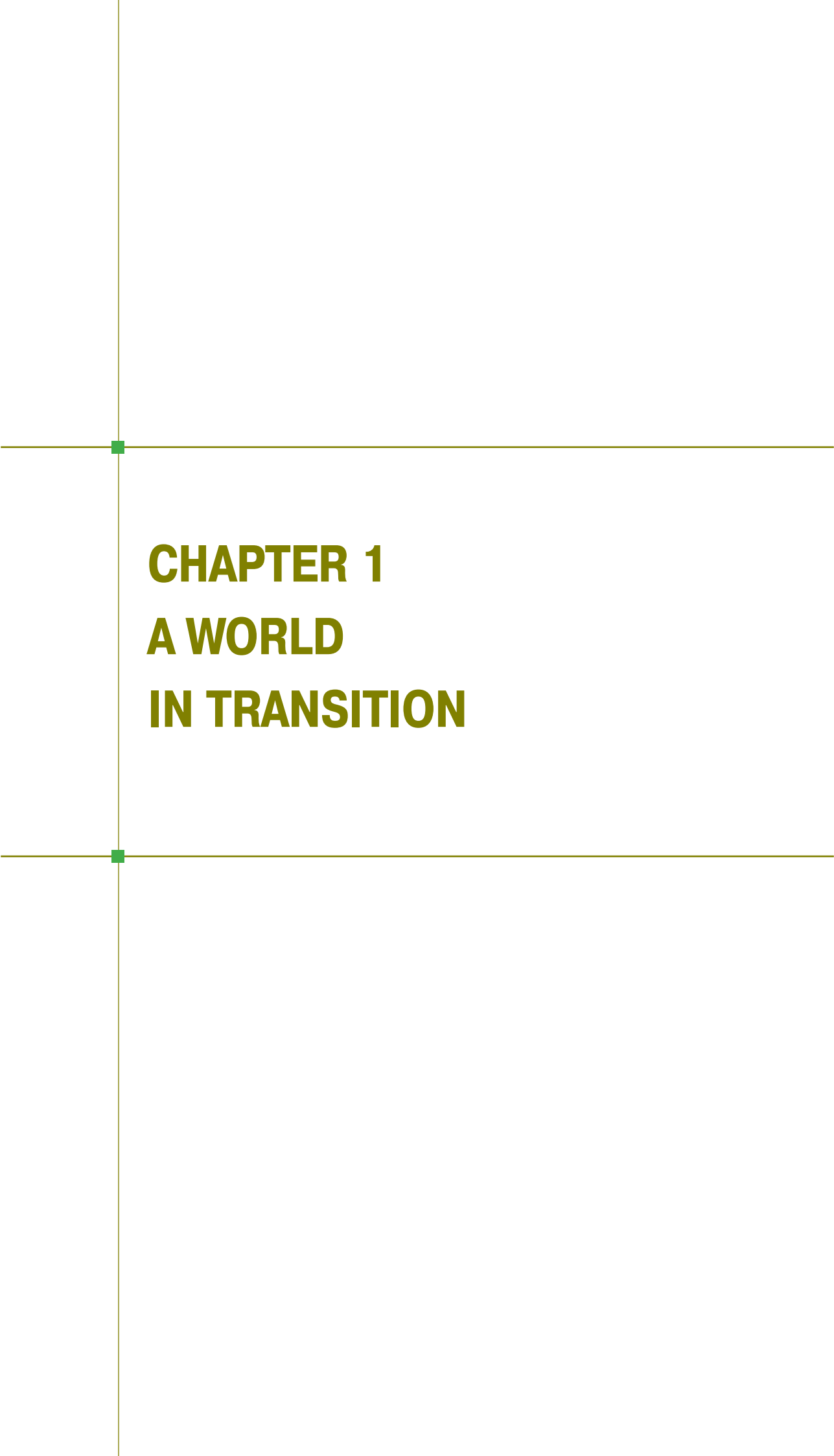
The final version of the report was prepared under the guidance of E. Shipova, director of the Post-Crisis World Institute. The team of authors comprised: A. Veselova, T. Lekhanova, S. Pobyvayev, M. Polikarpov and I. Khlestova.

⁵ Report by the Post-Crisis World Institute, ‘Models of Post-Crisis Development: Global War or a New Consensus?’ November 2009 – January 2010.

⁶ Given the homogeneity of the sample in terms of the respondents’ level of competence in the survey subject matter, the data gathered from the quantitative analysis can be considered valid and reliable (the margin of error is no more than 7 per cent for the population as a whole).

Table 1. Experts who participated in the survey

TYPE OF ACTIVITY	COUNTRIES					
	Economics, finance	Business	Politics, civil service	Journalism	Science	TOTAL
EUROPE (Austria, Belgium, Croatia, Denmark, Estonia, Hungary, France, Germany, Greece, Iceland, Italy, Kosovo, Latvia, Lithuania, Luxemburg, Netherlands, Norway, Poland, Portugal, Romania, Switzerland, UK)	10	16	10	4	16	56
NORTH AMERICA (Canada, USA)	7	6	5	2	10	30
LATIN AMERICA (Argentina, Bolivia, Brazil, Chile, Columbia, Dominican Republic, Mexico, Peru)	9	8	7	3	7	34
POST-SOVIET STATES (Armenia, Belarus, Kazakhstan, Moldova, Russia, Ukraine)	15	22	12	20	46	115
ASIA (Afghanistan, Bahrain, China, India, Iran, Israel, Japan, Lebanon, Malaysia, Nepal, Pakistan, Philippines, Qatar, South Korea, Taiwan, Thailand, Turkey, UAE)	10	13	4	5	22	54
Australia, New Zealand	1	2	1	-	2	6
AFRICA (Egypt, Kenya, Nigeria, Tunisia, South Africa)	2	2	1	-	3	8
TOTAL	54	69	40	34	106	303



CHAPTER 1
A WORLD
IN TRANSITION

A TIME WHEN CARDS ARE BEING GLOBALLY RE-DEALT

Any change lays a path for other changes.

Niccolo Machiavelli

The confrontation between the USSR and the USA, which lasted over 30 years, had a decisive impact on the trajectory of civilization's development. Problems seemed less significant in the light of the very real nuclear threat. Both nuclear superpowers, while declaring each other to be ideologically unacceptable, were nevertheless wary of letting disagreements reach a point where weapons of mass destruction could have been deployed.

The collapse of the USSR brought with it transient but general euphoria. Society in the post-Soviet states believed that the establishment of a democratic regime and market conditions would lead quickly to the well-being and freedom of each individual, as in the developed countries of the West. The West celebrated victory in the Cold War and the whole of humanity rejoiced at the disappearance of the real threat of general destruction.

However, idylls and a Fukuyama-style 'end of history' did not ensue. On the contrary, various cataclysms shook the world. In the past 20 years or so, dozens of armed conflicts, popular uprisings, major terrorist attacks and revolutions have taken place.

One consequence of the USSR's collapse was an acceleration in the processes of globalization. A foreign way of life and foreign ideas penetrated traditional societies, particularly Islamic ones, prompting a reaction: radical Islam began to oppose liberal globalization, sometimes using terrorist methods.

Global instability is on the rise and a horizon of relative stability is not yet in sight. The recent global economic crisis has become a political crisis and all the models for a modern state (both democratic and non-democratic) are experiencing overload one way or another. The accumulation of total state debt and imbalances in the world make it impossible to return to the previous model of the global economy, yet a new economy is only just emerging. A dangerous gap is developing between the old world order which no longer works and the new one which is not yet operational.

In addition, this crisis has pushed civilization towards rapid changes. In particular, it has accelerated the world's transition to a multipolar order. However, this transition is taking place in an unmanaged fashion, which increases the likelihood of conflicts as spheres of influence change. The world powers have not been able to agree about global reform along the lines of Bretton-Woods: no solution has been found so far within the framework of the G20 or the UN.

The paths of states are beginning to diverge more and more: China has already become the world's second biggest economy; Turkey, Iran and Brazil are laying claim to the role of regional leaders and trying to influence their surrounding area politically. At the same time, 'zones of permanent instability' and 'zones of failed states' are expanding. The pace and non-linearity of processes of change in the world are leading to the failure of previous geopolitical and economic mechanisms for restraining states. The events of the 'Arab Spring', when political crises spread like dominoes, are a clear example of this.

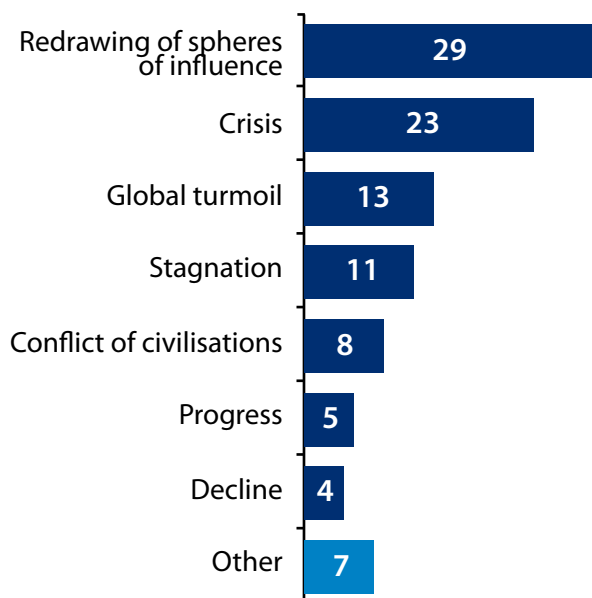
Natural and man-made disasters have become more frequent in recent years, suggesting that the existing technological order has exhausted its potential. On the other hand, new means of communication have spread in an unprecedented manner. Today, the Internet is actively penetrating the most varied sectors of the economy, as well as politics and culture; it is becoming part of everyday life for billions of people. Society is gradually acquiring new qualities and becoming centred on mobility. At the same time, the link between the online and off-line worlds is becoming stronger and stronger. In human consciousness, the virtual universe and the real universe are becoming intertwined. Humanity is in transition to the age of Web 3.0, where the Internet will become the universal and all-encompassing infrastructure for organizing human activity.

In our research we asked experts representing various countries, regions and continents to **describe the state of the world in the current year, 2013**¹.

As we can see from Diagram 1a, almost two thirds of the expert community opted for descriptions which prompt concern, such as ‘redrawing of spheres of influence’, ‘crisis’ or ‘global turmoil’.

Around 30 per cent of participants in our survey described the current state of the world as a redrawing of spheres of influence, referring above all to the centre of economic power shifting towards Asia and the growing influence of the developing world as a whole.

Diagram 1a. The state of the world in 2013
percentage of all respondents



« **Dr Raymond Kolter, China**, professor of International Relations at Shanghai International Studies University, Schools of International Affairs and Law (SISU): *‘Power is shifting to the East, Asia and the developing countries, including BRICS.’*

« **Dmitriy Belousov, Russia**, discipline head at the Centre for Macroeconomic Analysis and Short-Term Forecasting: *‘It seems to be the beginning of a lengthy Wallersteinian “transition crisis” of global leadership away from the USA, although the USA is not at all willing to recognise China.’*

« **Andres Arrak, Estonia**, lecturer of Economics at the Estonian Business School (EBS): *‘Europe is losing ground and the Pacific is already the centre of power.’*

The experts view the re-division of the world as being closely associated with crises – both permanent crises which occur as spheres of influence are redrawn, and the current global crisis which exerts an influence on the process of geopolitical ‘repartition’.

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *‘The redrawing of spheres of influence among states (tacit or open) is a permanent global process. This process leads to periodic crises and conflicts between civilizations. It may culminate in global turmoil, of which the apotheosis is a world war.’*

« **Dr Umut Korkut, UK**, professor at the Glasgow School for Business and Society, Glasgow Caledonian University: *‘The redrawing of spheres of influence depends very much on who can weather the crisis most efficiently. So far, no country is promising to deliver any model for global transformation.’*

« **Dmitriy Yevstafiyev, Russia**, professor at the Faculty of Applied Political Science, Higher School of Economics: *‘It is a redrawing of spheres of influence against the backdrop of a systemic global crisis. The clever ones (the USA, Germany and probably India) did not wait for the start of the crisis to strengthen their positions. Because the crisis on the financial markets was provoked, it is entirely possible that its second wave will be somewhat ‘blurred’ from the point of view of subjective public experience.’*

A quarter of the participants in our research considered ‘crisis’ to be the main characteristic of the current state of the world. Many respondents focused attention on the lamentable state of the global financial system and the failure of attempts to correct existing imbalances.

« **Igor Frolov, Russia**, doctor of economics and head of laboratory at the Institute of Economic Forecasting (IEF), Russian Academy of Sciences: *‘... the global crisis should not be viewed in isolation, but as a moment of global reorganization of the whole global financial-economic system. Therefore, a new round of crisis events is inevitable. They will keep happening until the imbalances which formed in the 1970s are reduced.’*

¹ Closed question. One response only.

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *'This is because nothing has fundamentally changed in the past four years. Derivatives speculation is again close to 700 trillion dollars and the so-called "risk appetite" of banks and financial operators has increased in recent months.... By slowing down the process towards a New Bretton Woods reform, political and economic leaders tend to transfer the crisis into other areas, where the redrawing of spheres of influence and conflicts of civilizations dominate.'*

« **Kavleen Chatwal, India**, senior researcher at the Indian Council for Research on International Economic Relations (ICRIER): *'Certainly, there is a need to transform the financial system which operates in these economies, which also incorporates reform of financial institutions. Although the USA has been able to curb its unemployment rate, a massive decline in productivity still persists. Many Asian countries, like most nations, are suffering from high fiscal and current account deficits.'*

Yet a number of experts spoke about the systemic nature of the current crisis, which not only concerns finance and economics, but also reflects 'limits of growth' in the areas of civilization, geopolitics, technology, the environment and others.

« **Rohit Talwar, UK**, CEO, Fast Future think tank: *'Not everyone sees it the same way, but clearly we are witnessing signs of an emerging global crisis. Systemic failure of the existing political, economic, financial and environmental management systems and individualisation of attitudes and beliefs are making this worse.'*

« **Vadim Gasanov, Russia**, film-maker, advisor of TV-channel "Russia-2": *'A crisis is developing and intensifying in all areas. There is a crisis in the idea of multiculturalism, a crisis in the financial system, a crisis in international relations along the North-South axis and the East-West axis.'*

Also among this group are those survey participants who identified a conflict of civilizations as the main essential characteristic of the crisis. It is clear that this conflict is also directly linked to the geopolitical re-division of the world.

« **Nikolay Chuksin, Russia**, economist, writer and publicist: *'There has been a failure of the latest stage in the establishment of a new world order – attempts to destroy Islam (by direct intervention) and encircle China – with subsequent destabilization. There is a change of tactics and a switch to a new stage ("orange revolutions" in Islamic countries) with the same aim. Destabilization of Europe is included in the agenda; initially it was envisaged for a later period.'*

« **Yevgeniy Satanovskiy, Russia**, president of the Middle East Institute: *'A conflict of civilizations does not exclude the possibility that spheres of influence will be constantly redrawn.'*

Some in the expert community believe the current state of the world is best characterised as 'global turmoil', which began due to the transition to a new system of social relations and the absence of a clear trajectory for future development.

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub): *'Of course, the current "global turmoil" has no parallel with the Great Depression of the 1930s; some countries will decline slowly (France, probably Russia too), others more rapidly (Argentina, perhaps), and others, a small bunch, will be in ascendance (China, India, Brazil, etc).'*

« **Vladimir Portyakov, Russia**, deputy director of the Far East Institute, Russian Academy of Sciences: *'The contours of the new world order are unclear. The trend towards multi-polarity is fading; the trend towards bipolarity is strengthening but it has not become inevitable.'*

For some survey participants, the crisis and turmoil in today's world have already progressed to the stage of stagnation or decline. 'Stagnation' is understood in both purely economic terms and as a lull in the redrawing of spheres of influence, as well as more broadly: as the absence of intelligible strategies among world leaders.

« **Carlos A. Cortes-Gomez, Mexico**, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *'2013 is definitively a year in which we won't see any significant economic movement towards a strong economic recovery. Stagnation seems to be the more plausible characteristic for this year as the global economy will be growing below its potential rate. No single region in the economy will exploit all its economic capacities to potential levels.'*

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine 'Kompaniya': *'The world has become stuck in a state of uncertainty and is searching for promising new paths.'*

« **Sergey Rasov, Kazakhstan**, political columnist at Politcom.ru: *'2013 could probably be called the year of flip-flopping, when nothing is stable, world leaders are not able to cope with problems and they work like a fire brigade, only paying attention to problems when they become blatant. There is no strategy or tactic, there are no developed analytical plans for how to maintain stable growth in global GDP, how to react to conflicts, how to combat terrorism and radical religious views which are making themselves felt more and more.'*

It can be seen that the general mood of the global expert community is rather pessimistic. Very few participants in our survey observed progress in today's world. Some saw the gradual recovery from the consequences of the financial and economic crisis as a reason for optimism. For others, progress is the essential trajectory of humanity's development.

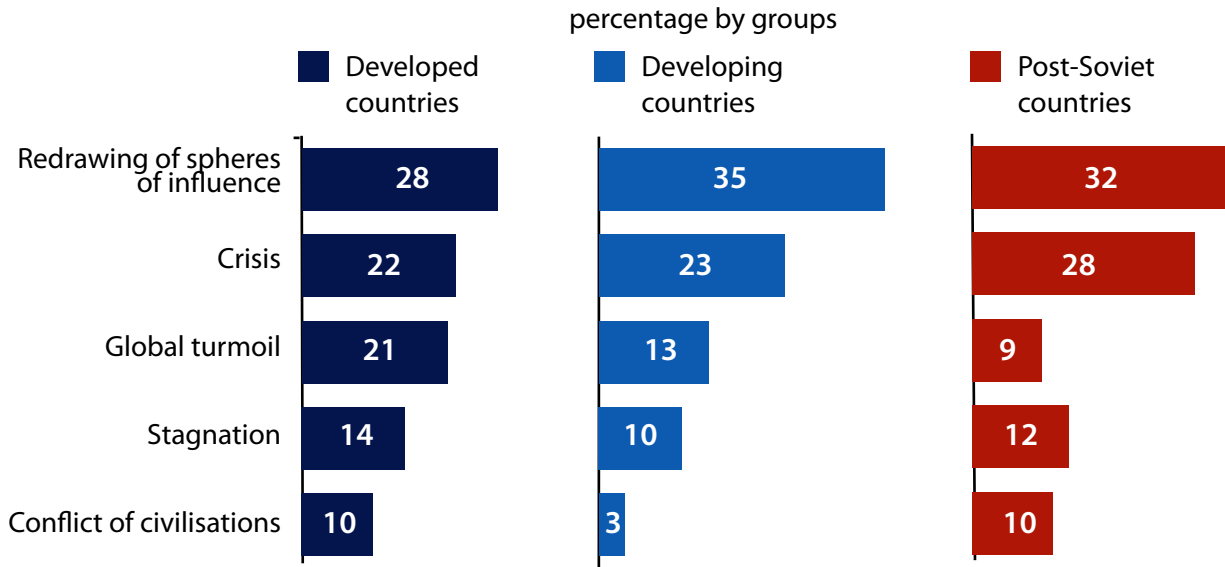
« **Dennis Anderson, USA**, professor and chairman of Management and IT, St. Francis College: *'There is progress, but it is on thin ice as the growth is not based on fundamentals.'*

« **Andrij Halushka, UK**, senior analyst at Credit Agricole Corporate and Investment Bank: *'The world in 2013 is overcoming the consequences of the financial and economic crisis of the late 2000s. One wants to hope that the end of the tunnel is in sight, albeit distant. A lost decade – yes, but with the prospect of catching up in the future.'*

« **Miguel Delcour, Netherlands**, CEO, Firm in Enterprise: *'The crisis is only in the heads of stupid people who think we were poor in 2005 (mainly those from the developed world). Globally, everything is making progress. Those screaming loudest now are not the BRICs or other up-and-coming countries, but the wealthy lucky few. Globally the world is making great progress and is certainly not in crisis.'*

The following interesting trends were discovered when analysing differences between the answers given by experts from various 'blocks' of countries (Diagram 1b).

Diagram 1b. The state of the world in 2013



The experts from developed countries demonstrated a somewhat less alarmist approach to assessing the current state of the world. They spoke less often about the crisis and the redrawing of spheres of influence, and more often about turmoil in global processes.

On the other hand, survey participants from the post-Soviet states had the lowest sense of 'global turmoil': they have become accustomed to dynamic change in the former Soviet republics over recent decades and they view it as normal.

Meanwhile, the expert community from the developing world has more faith in progress, observing civilizational conflict less often in today's processes.

A GLOBAL 'DEFICIT OF MOVES'²

A “deficit” can be “alarming” or it can be “ordinary”. An “alarming” deficit is when “deficit” moves leave strategically important positions exposed. One characteristic of “alarming” positions is that all other factors have to be sacrificed to correct the state of deficit... An “ordinary” deficit is when deficit moves only result in a loss of points... A player must try to eliminate that kind of deficit, but it is not necessary to sacrifice strategic or even tactical objectives... A “deficit” can be useful as well as harmful! This is particularly relevant in the case of conflicting “blocs” and attempts to hold an important strategic point.

Nazim Akhundov. Guide to Long Backgammon. Theory and Practice of the Game.

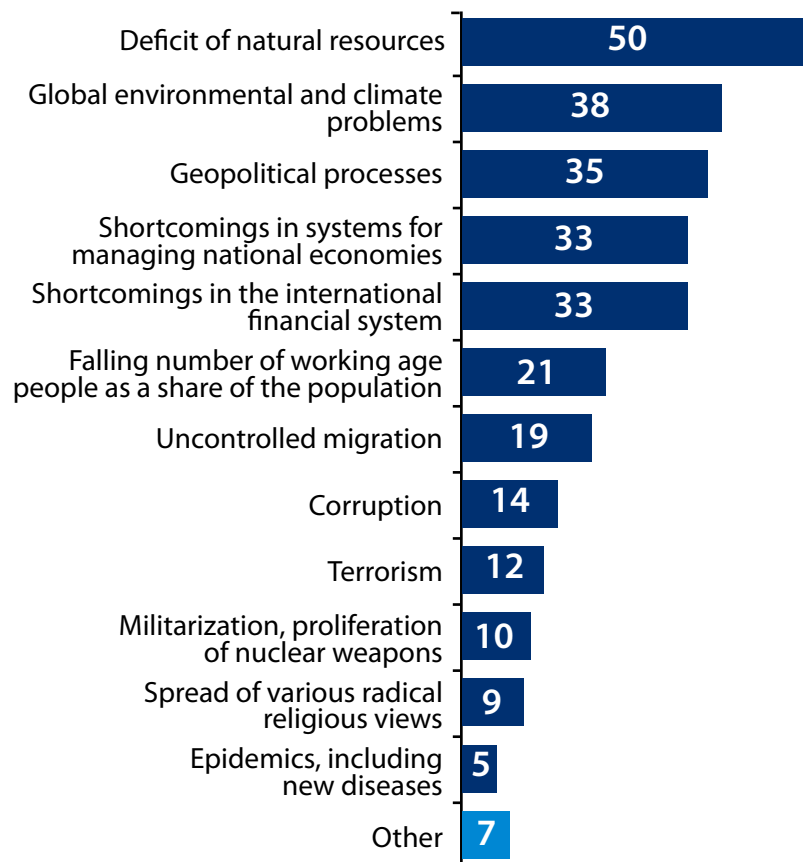
So the global intellectual elite believe that the world is caught in a state of uncertainty. Instability today means a multitude of development paths tomorrow and implies the most varied turns of events in the near future. What awaits us in such a future? What should we fear most of all and what should we hope for?

At the last Davos forum, the head of international consulting firm Oliver Wyman said that ‘two storms’ were on a collision course, ‘an environmental storm and an economic storm’. Indeed, more and more often we hear concerns that an environmental disaster is inevitable and that the global economy will be unable to find the means to prevent it. Yet this is not the only global problem, despite its topicality.

What do you think will be humanity’s greatest problem in the period of transition from 2013 to 2050? We posed this question to the global expert community.

The answers received demonstrate that a deficit of natural resources is the undisputed leader among all the global challenges (Diagram 2a³). Half of all the participants in our survey held this view. A lack of energy supplies has already given rise to a whole series of bloody conflicts about the control of oil. In many regions of the world there is an acute problem with drinking water. As the global population rises and the level of consumption increases, it is clear that this problem will get worse.

Diagram 2a. The greatest problem in the period of transition from 2013 to 2050
percentage of all respondents



² 'Deficit of moves' is a principle which underlies tactical constructions and techniques in the game of long backgammon.

³ Closed question. Multiple choice.

« **Dennis Anderson, USA**, professor and chairman of Management and IT, St Francis College: *‘Limited resources will not sustain a population of 9 plus billion.’*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘The increasing global population, particularly in the two new economic and political giants of the coming decades, China and India, will pose a big challenge related to natural resources. The challenge can be met and solved, but only if the world agrees to emerge from the present deep economic and political crisis with a new and fairer economic and multipolar political order. The energy deficit could be overcome with new technologies; fusion energy is one of them. The water deficit can also be overcome if we produce a lot of cheap, clean energy: desalination will be the main solution, combined with better and more conservative management of existing drinking water and water recycling. Food supplies could easily meet global demand if we freed commodities from speculation and treated food as a non-negotiable strategic resource in each country, as the fundamental instrument for peace and cooperation among peoples.’*

« **Alexander Drivas, Greece**, researcher at the Geostrategic Forecasting Corporation Advisory Board (GSFC): *‘The struggle for resources will be key for the great powers.’*

The problem of a deficit of natural resources shall be considered again in more detail in Chapter 4 of this report.

Global environmental and climate problems came second in terms of significance. For participants in our survey, environmental problems are the flipside of economic growth. They were frequently mentioned alongside and in connection with the deficit of resources.

« **Junji Nakagawa, Japan**, professor of International Economic Law, Institute of Social Science, University of Tokyo: *‘Environmental problems and energy problems are the two most serious challenges that the world will have to solve for the prosperity (even survival) of people in the world. The problem is that we still don’t have an efficient international financial system to finance efforts to deal with them.’*

« **Pavel Luksha, Russia**, director of corporate education programmes at the Moscow School of Management ‘Skolkovo’: *‘Macro-problems which influence the whole of humanity are the main challenge. In this sense, destructive wars, environmental problems and the problems of a lack of resources are the boundary conditions of survival.’*

Around a third of the experts highlighted geopolitical processes among the most important problems facing humanity in the medium term, as well as shortcomings in the systems for managing national economies and the international financial system as a whole. These factors not only have comparable weight in the eyes of the expert community; they are also often directly linked. Centres of economic and political power are undergoing transformation against a backdrop of outdated mechanisms for managing the global economy.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘Shortcomings in the international financial system are a product of individual countries which started international markets based on their national economies, without adapting to advances in technology or the growing diversity among countries participating in the international system. A geopolitical crisis will arise as countries face an internal struggle with political change or deadlock, which in turn creates issues with Western powers losing leverage over them. In addition to the geopolitical crisis there will be a deficit of natural resources, the spread of radical ideologies and religious views, organized terror networks, failed states, social unrest, mass migration and the degradation of the global environment and climate affecting human life.’*

« **Evgenia Zaiceva, Latvia**, chair of the administration board, Latvian Accounting and Economists Corporation: *‘There is a contradiction between existing human resources in civilized countries, which are not needed for manufacturing, and their aspirations for a good life. Essentially, most people in the Old World are already surplus to requirements, just like those in Third World countries. The “golden billion” only need workers (=slaves) with a low level of consumption and social needs. From here the following objectives arise: 1) to get rid of surplus people, maintaining the status quo (consumption of everything necessary while minimizing expenditure); 2) to resolve the problems of countries which have natural resources but which should not live well as a result; 3) total control over the whole global population.’*

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *'The financial crisis is a reflection of global instability related to the regulation of natural resources, amongst other things.'*

« **Dmitriy Belousov, Russia**, discipline head at the Centre for Macroeconomic Analysis and Short-Term Forecasting: *'A "crisis of transition" in leadership will be accompanied by financial and governmental turbulence (the old global rules will go in the crises and it is unclear how to draw up new ones without a global conflict). Local and regional conflicts are also likely to intensify (in the absence of opportunities for a direct clash between the strongest powers).'*

The recent economic crisis revealed at least two serious economic problems: shortcomings in the global monetary system and the inability of national economic systems to cope with crisis phenomena in a number of cases. It would seem that the role of global factors should only increase, as should demands to improve global regulators.

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine 'Kompaniya': *'National management of the economy will be inadequate in the new global world. National management of the economy will not be able to regulate the global economy.'*

« **Christophe Burtin, Luxembourg**, CEO and founder of Strategy & Governance (S&G): *'One major issue is that the banking system controls almost a majority of the economy, creating high dependencies for democratic governments. Sovereign debt will not be paid back in full. Banks should be controlled more strictly. In particular, bad behaviour/practices should be banned (dark pool, shadow banking, prop trading, etc).'*

Paradoxically, however, the influence of global factors on national economies is falling according to IMF data. Their research indicates that on the whole, global factors had a greater impact on production and consumption around the world in the period 1960–1984 than in the period 1985–2005. The only parameter on which global factors had a greater influence than regional ones was investment⁴. This pattern can be traced regionally, with the exception of Asia, where regional factors outweigh global factors with regard to investment. North America is an exception: between 1985 and 2010 global factors were more important there in relation to all three parameters: production, consumption and investment. It is quite likely that in the not-too-distant future we shall see the world fracturing into large regional economic clusters.

One in five participants in our survey drew attention to the falling proportion of working-age people in the demographic structure. Data about the aging population of the world can be found in the UN report titled 'World Population Aging: 1950–2050'. A lack of labour resources clashes with the need to limit population growth. Further population growth will lead to an increasing burden on the environment. In any case, the demographic pyramids in most countries are currently highly skewed and they cannot be corrected in the foreseeable future. For example, there is a serious problem with male children born in China substantially outnumbering female children (a consequence of the one family – one child policy). One can only speculate about the fate of those hundreds of millions of 'surplus' men in China.

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Center of Brasilia (UniCeub): *'All the listed problems will eventually be present to some degree, here, there or elsewhere, at certain moments. None of them are insurmountable or capable of presenting a crucial menace for strong societies and solid states. Failed states (mainly in Africa, some in Asia, one or two in Latin America) could be severely impacted by some of these problems. They could face social and political stability, uneven economic development and continuing poverty, terrorism, corruption and so on; but none of the current big states and strong economies will perish because of any of them. However, ONE THING is certain: humankind will be older, inevitably, and that will represent a difficult economic challenge for all of them.'*

« **Andrij Halushka, UK**, senior analyst at the Credit Agricole Corporate and Investment Bank: *'I see the ageing population (including in developing countries such as China) as the most significant problem. The rise in the proportion of pensioners will also mean a rise in their political influence in democratic countries. As a result, the burden on the social security system may increase sharply to the point that it breaks down completely and an acute conflict of generations breaks out. The other problems listed are significant, but either solvable or not global.'*

⁴ IMF Working Paper Research Department 'Regionalization vs. Globalization' January 2013.



Dr Umut Korkut, UK, professor at the Glasgow School for Business and Society, Glasgow Caledonian University: *‘Population long considered to be a burden for development will in fact turn out to be capital. The countries which can maintain healthy population growth with technologically informed youth will take the upper hand in development.’*

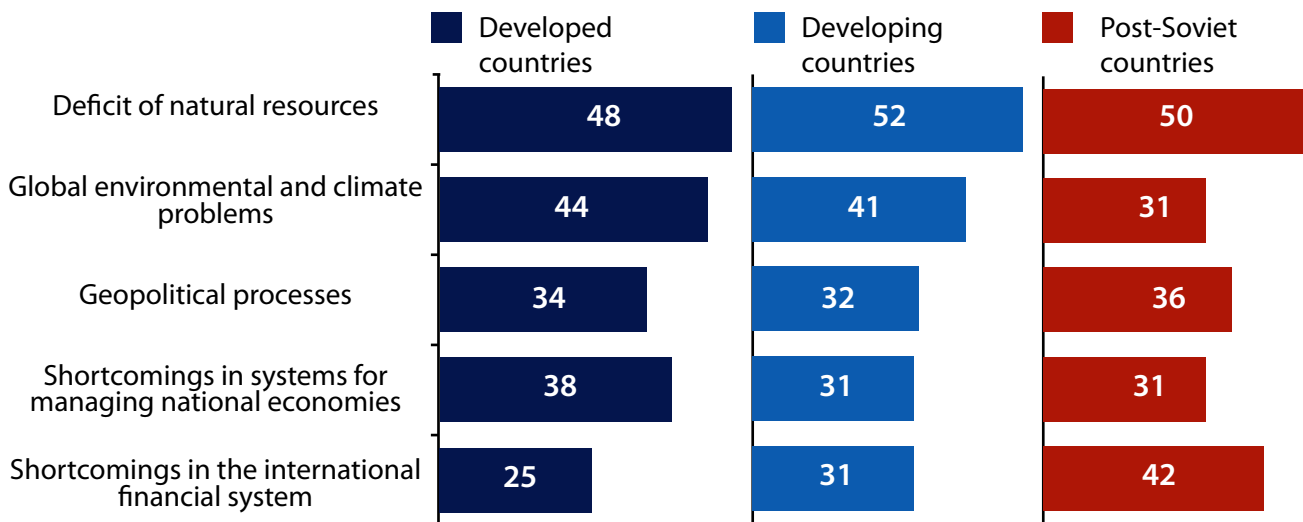
Roughly the same number of experts pointed to the problem of uncontrolled migration, which is estimated at 214 million people annually. Specialists believe that illegal migration involves another 35–40 million people annually⁵. Migration gives rise to a number of problems, including problems of a civilizational nature, when migrants cannot or do not wish to adapt to their new place of residence. Hopes for the peaceful co-existence of native and immigrant cultures have so far not been fulfilled. Therefore, a consequence of such migration has been ‘multiple socio-cultural conflicts’.

Very few survey participants (less than 15 per cent) identified corruption; terrorism and the associated spread of radical views; or militarization with the proliferation of nuclear weapons among the most important problems. The latter is particularly surprising as a paradoxical situation exists today: the possibility of a localized nuclear conflict breaking out has become much more real, despite the threat of global nuclear war diminishing⁶.

Only a handful of experts spoke about the threat of new epidemics, even though a new infectious disease has appeared each year since the 1970s according to medical statistics, while the effectiveness of antibiotics is steadily falling. Given current trends, the appearance of pandemics comparable to the Black Death of the 14th Century cannot be ruled out.

We also analysed our respondents’ answers from the perspective of the groups of countries to which they belong (Diagram 2b). Only experts from the post-Soviet space displayed interesting deviations from the general trend.

Diagram 2b. The greatest problem in the period of transition from 2013 to 2050
percentage by groups



Experts from developed and developing countries show a high degree of solidarity in their views. The minor variations are entirely understandable in the light of events of recent years. Thus, representatives of the old industrialized countries complain more about shortcomings in systems for managing national economies than their counterparts from newly industrialised states.

⁵ World Migration Report 2011, p. 49.

⁶ According to data from the Centre for Strategic and International Studies (CSIS, Owen B. Toon, Alan Robock, Richard P. Turco ‘Environmental Consequences of Nuclear War’), the most likely nuclear conflicts are between North and South Korea, Israel and Iran, and India and Pakistan. Specialists estimate that a Korean conflict could cause 6 million deaths, an Iran-Israel conflict could cause 21 million deaths, while a Pakistan-India conflict could result in 44 – 107 million people dying.

As for survey participants from the post-Soviet states, the problem of shortcomings in the international financial system appears much more important to them (it stands almost equal with the deficit of natural resources). Meanwhile, the global environmental and climate problems which seem so important to the rest of the world are of considerably less concern to the post-Soviet expert community.

Incidentally, an explanation for the latter observation was presented in one of our previous reports⁷.

UNDER A 'GREEN' FLAG?

If one myth collides with another, it is an extremely real collision.

Stanislaw Jerzy Lec,
Polish poet, philosopher, writer and satirist

The most important attribute of any historical period in the life of society is the dominant ideology. If one proceeds from the imperative of turning a unipolar world into a multipolar one, then it is logical to expect a wide diversification of ideologies in the future. It is quite possible that each pole which forms in the new multipolar world will have its own dominant ideology.

On the other hand, the process of globalization which is taking place most intensively in the area of culture and interpersonal communications will facilitate the search for a single platform for mutual understanding between representatives of different civilizations. Therefore, the formation of some kind of new universal ideology for the whole world is also likely.

However, compensatory civilizational ideological views oriented towards maintaining the values of archaic civilizations also constitute quite a powerful phenomenon, as shown by the experience of the Islamic world and the Christian world to a lesser extent.

In the Wallersteinian triad of dominant ideologies of the 20th Century, 'liberalism – conservatism – socialism', it is liberalism which leads, although the other two worldviews remain in demand. The crisis of 2008 prompted a surge of interest among expert circles in the West in the works of Keynes and Marx, leftist ideology and ideas of social justice. Conservatism has been boosted by the statements of leading European politicians about the collapse of multiculturalism.

One can often gauge global trends, at least trends in global perception, by the frequency with which certain terms are used. In 2011, the American online dictionary Merriam Webster chose the term 'pragmatic' as its word of the year, based on the number of user inquiries. In 2012, first place was shared by 'capitalism' and 'socialism'. Meanwhile, the Oxford Dictionary's word of the year according to a similar rating was 'omnishambles', which describes a situation that is shambolic from every possible angle.

Participants in our survey were asked to **identify three main ideas which they believed would have the greatest influence on people's minds in the period of transition from 2013 to 2050.**

The results were rather predictable (Diagram 3a)⁸. The undisputed leader was 'green' ideology – environmentalism. More than half the experts chose it as the main idea of the transition period. Environmental problems have no national borders and they concern all peoples and all countries, irrespective of their economic or cultural model. On the other hand, there are quite reasonable suspicions that the 'green' flag of environmentalism is also a fad.

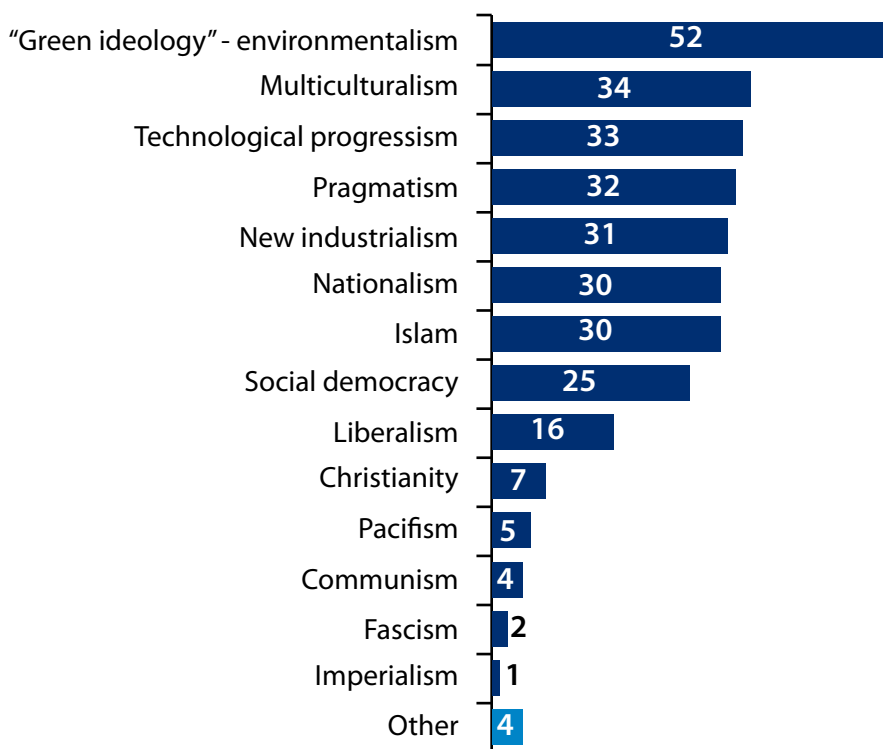
« **Gueorgui Nikiforov, Japan**, project manager at the Okinawa Institute of Sciences and Technology: *'People will continue to want more goods, more food and in general be interested in material things. In addition, technology will have a big impact. People will want to buy the new iPhone even though it's the same as the old iPhone and they will want to buy a new car, just because it is shinier. And green ideology will be very fashionable, even though nobody will do anything about it until it's too late.'*

⁷ For more detail see the Post-Crisis World Institute report *The Peaceful Atom in the 21st Century: Geopolitics, Security and New Energy*, November 2011 – April 2012.

⁸ Closed question, multiple choice.

The most interesting thing, in our view, is what comes next: the block of ideas, given roughly equal weight by the global expert community (each received about a third of the vote), which will largely determine the trajectory of humanity’s development in the medium term. One group of these ideas – technological progressivism, new industrialism and pragmatism – relates largely to a model of socio-economic development. The second group relates more to civilizational alternatives: multiculturalism, Islam and nationalism.

Diagram3a. Main ideas in the period of transition from 2013 to 2050
percentage of all respondents



The triad of closely linked approaches – technological progressivism, new industrialism and pragmatism – signifies a world still oriented towards growth in consumption, rationalism, scientific and technological progress and competitiveness in the broadest sense. Technological progress essentially contradicts environmentalism. Progressivism may clash with liberal dogmas, for instance, if it demands the imposition of reforms ‘from above’. Pragmatism casts doubt on all ‘timeless’ dogmas, as it is oriented towards economic expediency and choosing the most effective practice for each day.

Simon Sundaraj-Keun, Malaysia, freelancer, geo-strategic and cultural consultant:

New technology and scientific advances, along with new discoveries, will push forward a new industrialism for the world. A more technocratic and pragmatic approach will be accepted by numerous countries in order to move mankind into a new era of prosperity, respect and development.'

« **Rohit Talwar, UK**, CEO, Fast Future think tank: *'For me, new industrialism is about a new, more responsible kind of capitalism, with much more efficient resource utilization and growth being achieved without major gaps between haves and have-nots.'*

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *'The foundation of the new politics is nationally oriented pragmatism, preached by Asian and a number of African countries, which is the only basis for their progressive development. Within this framework, "blocks of ideas", including Islam, may achieve temporary development. So may the idea of Confucian revival.'*

As for multiculturalism, Islam and nationalism, they constitute an antagonistic triangle in today’s interpretation.

The section of the expert community which hopes for the victory of the multicultural approach links it to the final triumph of globalism.

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *'Soon it will be better to speak about transculturalism, because movements of people, migration and new communication systems will bring different people closer to each other in a way never before experienced in human history. Transculturalism, which is not the negation of roots and original cultures, will be the future of a maturer and more educated humanity. At least this is my hope.'*

Otherwise, the images of the conflicts of the past are too well known and we do not need to speak about them again.'

The participants in our survey who spoke about Islam were primarily concerned about another 'green flag' – representing radical Islamic views that are a priori in conflict with globalist trends.

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *'Islam will be a dominant force that will challenge the global arena.'*

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *'Islam will invade Europe, prepared to tolerate cultural diversity. The same can be said of the transnational processes of migration throughout the world.'*

« **Yevgeniy Satanovskiy, Russia**, president of the Middle East Institute: *'Weeds always grow faster and strangle those who are weaker. In particular, it won't simply be Islam that dominates; it will be radical Islam, which destroys the moderates.'*

The experts believe that nationalist tendencies will grow in response to the spread of Islam. World War II inoculated most of the world against extreme forms of nationalism, but as the war's participants and witnesses pass away, the effect of the 'inoculation' is weakening.

In general, many survey participants noted that the increasing popularity of both religious and radical ideologies is a logical reaction to difficult times – in this case, the crisis, instability, the intensifying battle for resources, falling living standards and so on.

« **Chris Nancarrow, USA**, clerk of the Allen Circuit and Superior Courts, Indiana; chief deputy: *'During a crisis, people regroup around concepts with which they are familiar. Religion and national pride are particularly likely to influence one's perceptions of the surrounding world. New industrialism may result from the scarcity of natural resources in tomorrow's growing world.'*

« **Vadim Gasanov, Russia**, film-maker, advisor of TV-channel "Russia-2": *'In fact, there will be plenty of ideas. But radical ideas will be in first place – partly in response to the crisis and the total failure of ideas of peaceful coexistence, multiculturalism and so on.'*

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *'The coming decades will be characterized by rising instability in countries of the Islamic world; a consequence of social and political contradictions, a sense of injustice and aggression on the part of the West. This movement will inevitably involve the Muslim population in Europe, the USA and Russia. Islam will be a natural ideology, stirring huge numbers of followers into action. A response to the rising tension in relations with the Muslim population will be increasing nationalism in those countries where conflict is most acute.'*

Another consequence of the crisis has been the continued development of the 'leftist trend', which the experts believe will overtake classical liberalism in popularity by some distance. The postulates of individual freedom and immutability of private property are not losing their attractiveness, but the idea of social justice and protection has become weightier than the 'invisible hand' of the market.

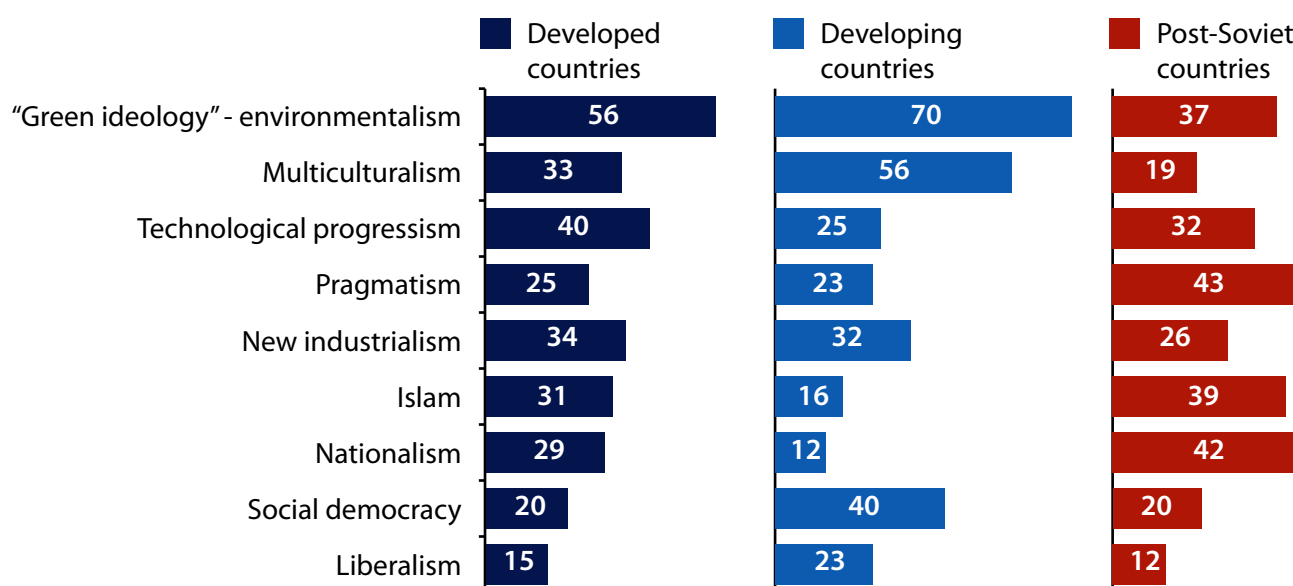
Some survey participants predicted the appearance of fundamentally new ideas that would correspond best to the 'topic of the day'.

« **Igor Frolov, Russia**, doctor of economics and head of laboratory at the Institute of Economic Forecasting (IEF), Russian Academy of Sciences: *'In the new era, fundamentally new currents will arise in the public consciousness, which will become dominant. But posteriori, political scientists and historians will link them to old ideas. For example: the Communist idea supposedly has roots in early Christianity, where social equality and so on was also preached.'*

In our view, it is particularly interesting to analyse respondents' answers in light of the group of countries to which they belong (Diagram 3b). Here, we can indeed observe three different pictures of the world – three paths and three models.

Experts from the 'old economies' believe that the picture of the world in the coming decades will continue trends which exist today, thus essentially capturing the current state of affairs. The developed world is progressively moving towards a 'green' economy and breakthrough technologies, as it continues to strive towards a post-industrial society. The developing world is following a path of gradual modernization and industrialization in accordance with the general logic of economic growth. As for the battle between multiculturalism, nationalism and intolerant

Diagram3b. Main ideas in the period of transition from 2013 to 2050
percentage by groups



Islam – mainly within Western (primarily European) society – all acute conflicts and problems will remain unresolved.

However, the expert community in developing countries views events in a different light. Neo-industrialism, of course, is important for the new ‘workshops of the world’ and is even among the five main priorities, but a long way from the top. Environmentalism is in first place, but here it is less a matter of saving nature or citizens’ safety: in newly industrialized countries, a ‘green’ economy is becoming a symbol of stable growth, the acquisition of energy independence and the consequent resolution of problems of poverty and social justice.

Generally speaking it appears that social justice is a key concept and the main pivot in this picture of the world. Multiculturalism, which gets second place among experts from developing countries, constitutes a particular concept of social life, capable of reconciling various religious, national, tribal and other conflicts which are so prevalent in the developing world. It is also able to ensure communication with the ‘golden billion’ on a more equal basis. (We should note that survey participants from that group of countries give a very low rating to the prospects of nationalism and Islam as ideologies). Social democracy – the third priority – allows the idea of a social state, social stability and social justice to be brought to life.

The picture of the world among experts from the post-Soviet space again differs fundamentally from that of the other two groups. In first place they put all-embracing pragmatism. The choice of ‘pragmatism’ testifies, amongst other things, to the well-known decline of ideology and disappointment with traditional dominant ideologies; the attraction of common sense and rational motivation both in people’s actions and in state policies. Furthermore, the pragmatic approach, which prioritizes questions of various kinds of expediency, implies a well-known freedom to manoeuvre. This is an important advantage when it is believed that the world is going to follow a path of further technological development and improving quality of life (‘environmentalism’ and ‘technological progressism’ are among the top five priority ideas), yet domestically the consequences of post-Soviet deindustrialization still have to be overcome.

The stable pairing of Islam and nationalism also bears a different semantic load than in other countries. Firstly, sectarian discord is a relatively new problem for the post-Soviet states, where any manifestations of religious life were brutally suppressed in Communist times. Secondly, Islam (as one of the most widespread faiths in the post-Soviet space) and post-Socialist nationalism (as a mobilizing and unifying ideology) are two inherent elements in the formation of a new national identity in most of the new states which succeeded the Soviet republics (not only the Muslim ones!) Therefore, multiculturalism is much weaker here. On the other hand, the threat

of a rise in extremist tendencies – from xenophobia to Islamic fundamentalism – is very high.

It is well known that the battle between contradictions is a major engine in social development. The global expert community views the world of today and tomorrow as more complicated, contradictory and unstable than ever before.

The redrawing of spheres of influence and the prolonged economic crisis are accentuating all problems and conflicts, feeding radical ideologies and hindering the achievement of consensus, if not agreement. The processes of globalisation and regionalisation do not like to go hand in hand; each strives to take its own course.

Liberal values and Christian charity are giving way to the heat of the global fight for resources and a place in the sun. The efforts of states to increase their competitiveness are spurring technological progress. Today's practices are overshadowing the search for hidden meanings and all-embracing concepts.

Everyone recognises the severity of environmental problems, yet hands and means are not getting down to business, i.e. the solution of these problems. All good starts succumb in the face of economic expediency and the needs of the present moment.

So what will the world be like the day after tomorrow?



CHAPTER 2

THE WORLD IN 2050

A NEW LANDSCAPE WITH OLD PROBLEMS

We have spent 20 years building a system that cannot really last... For global prosperity, like capitalism, globalisation is both the problem and the solution. Globalisation is dead. Long live globalisation!

Peter Mandelson, former UK business secretary and EU trade commissioner¹

The 20th Century was full of contradictions. It instilled people with faith in their own abilities, revealing enormous opportunities to study the world and use its laws for the good of mankind. At the same time, it demonstrated that scientific discovery is an uneven process; times of great progress and achievements may be followed by times of stagnation and slow accumulation of knowledge.

In the 20th Century it became clear that various ideas about social order which had become fairly widespread could lead to enormous geopolitical shifts. Yet such shifts could result in countless human victims, especially if the original ideas were incorrect or did not correspond to the level of human development.

The last century was an age of unprecedented economic development and the deepest crises, when new systems of management arose and were replaced with even newer and improved systems. The end of the 20th Century was a period of unprecedented globalization and the simultaneous appearance of many new and separate nation states.

The 20th Century ended without providing answers to many questions, including questions of a strategic nature. For instance, it is unclear how humanity should develop: should it take the path of developing industrial strength and a larger population, or abandon excess consumption and decrease in number? It is unclear which form of organization has the brightest future: the nation state or transnational structures. It is unclear how international economic relations should be configured and on which principles the new global financial system should be based.

There is a wide spectrum of opinion on many other burning issues with serious arguments ‘pro’ and ‘contra’: for example, how intensively will geopolitical shifts continue to take place, how will global climate change affect the state of the world, when will new breakthrough technologies emerge and in which areas, and so on.

Yet the seeds have already been sown of the processes which will shape the face of tomorrow’s world. Which existing global trends will be maintained to the middle of the 21st Century, which ones will change, and will such changes be significant? We asked the participants in our research: **In which areas will major shifts occur by 2050?**

The expectations of the global expert community with regard to medium-term trends in humanity’s development can be divided into three blocks (Diagram 4²). The first block includes areas in which the experts expect major shifts; the second is a zone of uncertainty; the third relates to processes and phenomena regarding which no major changes are foreseen.

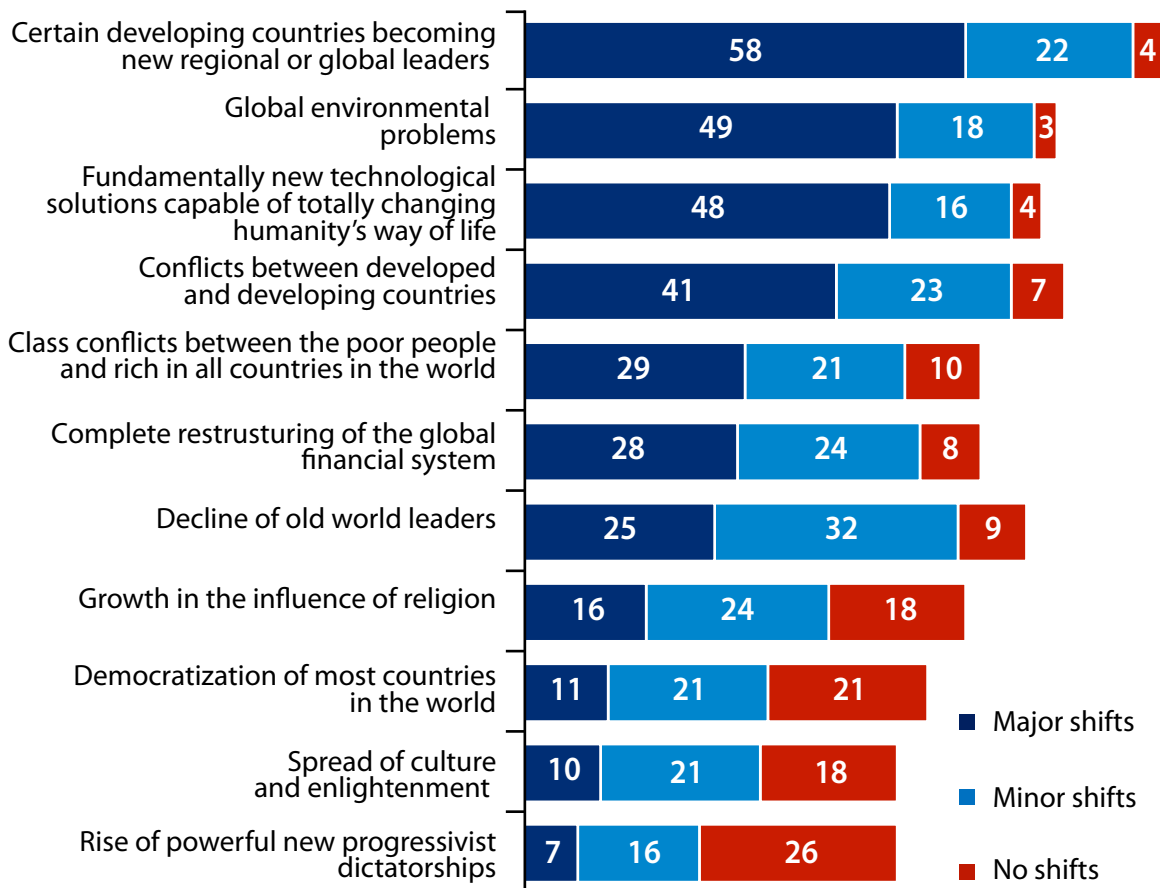
More than half of the survey participants expect rapid development in the ‘trend towards multipolarity’; they expect that a number of developing countries will achieve the status of regional or global leaders. It will not just be a matter of competition between ‘centres of power’, but competition between various development models that will put pressure on the liberal Western approach.

« Aleksandr Apokin, Russia, senior expert, Centre for Macroeconomic Analysis and Short-term Forecasting: *‘The development of countries in Asia will create a powerful pole of political influence, which will spread at the global level. At the same time, a number of countries in Europe, primarily the UK, will lose their ability to influence global processes. Sub-Saharan Africa will join the orbit of the Asian countries’ development. China may play a major role in its stabilization and development. However, Africa will not be able to become an independent pole of growth before the end of the period 2040–2050.’*

¹ Peter Mandelson’s blog post on the ‘Financial Times’ website, 24 January 2012.

² Closed question. Multiple choice.

Diagram 4. Possible shifts in various areas by 2050
percentage of all respondents



« **Dr Umut Korkut, UK**, professor at the Glasgow School for Business and Society, Glasgow Caledonian University: *'I believe Western models of political and economic institutions will lose their appeal in the developing world. This will generate space for new models of institutionalization, which are still to be devised.'*

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *'The main crisis lies in the mismatch between the model of behaviour of the traditional leaders (the USA, united Europe) and that of the contenders for global and regional leadership (China, Iran and others). The Western system tries to smoothly resolve problems within the framework of the Western system of international relations and cooperation between states and financial systems. Global politics and economics are becoming "Asian"; they cannot be reduced to dictatorial or democratic trends. The new leaders essentially offer other, more aggressive models. It is the limit of dialogue between political cultures.'*

Less than a quarter of respondents said this trend would continue. Nevertheless, significant shifts in the geopolitical order will not take place.

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *'Various countries like China, Russia, Brazil, Iran, North Korea and Venezuela will challenge the power of the United States.'*

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub): *'There will be no MAJOR changes in the world scenario, but a progressive transformation in the economy and technology, with slight or minor changes in the fields of society and culture. As there will be no major or global conflict, the world will be in a continuous flux of new influences and forces, which are constantly drawing new responses from societies and nations. They will be based more on technological improvements than political transformation. In this field, the world will not differ much from today. Perhaps China will be more democratic, but there will still be populist and semi-democratic regimes elsewhere, mainly in Africa, the Middle East and Islamic countries.'*

Alongside the rapid development of newly industrialised countries, characterized by their aggressive strategy on international markets, the development potential of the old world centres of economic power is becoming exhausted. The current situation in Europe testifies at least to the ambiguous future of the cradle of modern civilization. However, the field of geopolitics has always been marked by somewhat greater conservatism than the field of technological achievements, for example. Despite the existence of the 'Asian tigers' and BRICS, the community of developed countries is far from striving to expand its 'club'. After all, with each new member that joins the club, the old members need to surrender some of their market share, political or economic influence – in short, surrender in the area of international competitiveness. Change in the list of regional leaders is also taking place rather slowly, because it is accompanied by open and active opposition from regional competitors.

It is all the more interesting that the global expert community expects the main changes to occur precisely in the geopolitical order.

When talking about major shifts in the field of global environmental problems (which are expected by half the survey participants), the experts had in mind rapid regression much more often than rapid progress. Some experts hope for a solution to the most acute environmental problems thanks to scientific and technological development, but most believe the problems will only get worse. Moreover, further growth in the newly industrialized countries will exacerbate the problem of a lack of natural resources.

« **Dr Raymond Kolter, China**, professor of International Relations at Shanghai International Studies University, Schools of International Affairs and Law (SISU): *'Environmental pollution will increase due to the pursuit of development in nations of the South.'*

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *'I think that a central problem will be the shortage of valuable natural resources like water and the disputes this will trigger at the local, regional and international levels.'*

« **Vadim Gasanov, Russia**, film-maker, advisor of TV-channel "Russia-2": *'In general, nothing supernatural or unexpected is going to happen. There has always been a process of contradictions building up. Only in the 20th Century did it lead to two world wars. One cannot say that current problems are more significant: each age has its own understanding of the level of problems. But environmental problems are absolute in their significance: their consequences are more serious and long-term. Whereas mankind can be the catalyst and cause of such problems, his opportunities to eliminate the consequences are, alas, minimal.'*

At the same time, a 'wind of change' will blow in the area of technological progress. Again, around half the experts expect fundamentally new technological solutions to appear before 2050, capable of altering mankind's way of life. Above all, this concerns information technology, which will determine the nature of relations in society of the future to an ever greater extent. It also concerns medicine and materials science.

« **Pavel Luksha, Russia**, director of corporate education programmes at the Moscow School of Management 'Skolkovo': *'The vital and most important mega-trend will be information networks completely penetrating the life of man. They will very quickly begin to change many of the categories to which we are accustomed: "class", "countries" or "financial systems". For instance, it is almost inevitable that new types of currency will emerge in the financial system based on the logic of the "service economy". "Classes" will be replaced by "communities", while "countries" will be replaced by "territorial clusters".'*

« **Dr Hafiz Imtiaz Ahmad, Pakistan**, independent researcher and university professor: *'Social media will play a prominent role in the advancement and spread of new technologies and ideas.'*

« **Vyacheslav Dodonov, Kazakhstan**, senior researcher at the Kazakhstan Institute for Strategic Studies under the President of Kazakhstan: *'Among the fundamentally new technological solutions which will be implemented by 2050, we believe healthcare technologies will be the most revolutionary, including in the area of prolonging life and curing diseases which are currently incurable.'*

Only one in seven respondents believes that shifts in this area will be minor. Very few respondents indeed said that there would be no shifts at all.

A slightly lower number of participants in our survey (around 40 per cent) expect tangible shifts in the area of existing contradictions between developed and developing countries. As in the previous

case, this primarily concerns the reinforcement of current trends. In this regard, a forecast made two years ago by former director of the World Bank Uri Dadush can be recalled³. Dadush said that by 2050 the alignment of forces between developed and developing countries would be very different to how things stand today: four of the six economic superpowers will be current developing countries. Modern post-industrial countries will remain the richest for now in terms of income per capita, but they will lose the lead in absolute terms. Due to the large difference in wages, advanced countries will resort to strict protectionist measures, which will negatively affect their relations with developing countries.

« **Andres Arrak, Estonia**, lecturer of Economics, Estonian Business school (EBS): *‘There will be major conflicts based on the redistribution of income in the world. In developed countries, 1 billion people must learn to live with much less, because the other 6 billion (some of them) have enough money and they want more. It will be violent (see the neo-fascists in the Greek parliament).’*

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *‘The uneven nature of economic development will remain the prevailing trend in the coming decades. Countries like China, India, Brazil and hopefully Russia will acquire ever greater economic, financial and political influence in the world. The G7 is making way more and more for the G20 in international affairs. This trend will inevitably prompt contradictions and conflicts with countries that are currently in the “developed” category, but which are losing the “drivers” of their economic development in the crisis situation.’*

A third of respondents believe that changes in this area will be minor or entirely absent. Meanwhile, a number of experts suggested that the contradictions will be smoothed out thanks to the erasure of differences between the developed and developing world. However, those holding such a view are in the minority.

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine ‘Kompaniya’: *‘The differences between developed and developing countries will probably be erased and such categories will disappear. There is a theory called “the next convergence” which deals with this – the fact that developed countries are developing more slowly than developing countries, so they are heading for roughly the same level.’*

Continuing this topic, it is entirely logical that the decline of the old world leaders is a trend that will remain in the medium term. Disagreements only really exist around the envisaged pace of this process. Over 40 per cent of experts think that the current centres of power will lose their influence slowly and gradually.

« **A. Huzaim Abdul Hamid, Malaysia**, chairman and CEO, Ingenium Advisors: *‘It is obvious that China is growing very fast and becoming an influential power, especially in Asia, due to its growing affluence. It remains to be seen whether its foreign policies will ultimately prove to be malignant, benign or inclusively beneficial. Nonetheless, the influence of the USA, the United Kingdom, France and Spain is likely to continue weakening, accelerated by the global financial crisis of 2007. By 2050, only the USA is likely to have some influence globally.’*

A quarter of survey respondents expect a more dynamic change of decor.

« **Ahmed El-Shaffee, Egypt**, business consultant: *‘The shift in world power has accelerated due to the global recession. China will overtake the United States economically. India and Brazil will join soon. Western nations will remain wealthy and technologically advanced, but might shift the production of technology to less developed countries.’*

« **Michael Clements, New Zealand**, economic development specialist and independent consultant: *‘The decline among the old world leaders is to be welcomed and accelerated. Britain has self-destructed to the point where it is impotent and irrelevant. It cannot recover from this position. It suffers from the national equivalent of geriatric dementia. And the clearest proof that the USA is rapidly heading in the same direction is the re-election of Obama. This proves an accelerating rate of degradation and confirms that more than 50 per cent of Americans are now idiots. It’s embarrassing. Watching America trying to be a world leader is like watching your pot-smoking grandfather trying to be “cool”. The sooner the old world leaders leave the stage, the sooner conflicts between developed and developing countries can be resolved and the development of the new world can proceed in an atmosphere of fairness, equality, and mutual respect.’*

³ Report by U. Dadush and B. Stancil, ‘The World Order in 2050’, published on the website of the Carnegie Endowment in April 2010.

A sceptical attitude towards the entrenched world leaders is largely linked to perceptions of the consequences of the currency and economic crisis. In its Bretton Woods and Jamaican versions, the architecture of world finance reflects the unconditional leadership of the USA and Europe, which has become less obvious at the start of the 21st Century. Global finance based on the dollar and the euro has become tied to the domestic problems of countries which issue those currencies. This can hardly evoke delight or even understanding in the rest of the world. The search for a new system is being conducted in many areas. Most recently, the outlines of the global currency and financial system were discussed a year ago at the Astana Economic Forum.

However, the results of our research indicate that the prospects for restructuring the global financial system are in a zone of complete uncertainty.

Almost two thirds of survey participants paid attention to this issue. Half of them expect the relics of the old financial system to finally undergo serious restructuring by 2050, under pressure from growing regional centres. In turn, this will have important consequences for the whole global order.

« **Alexander Cherkasov, China**, International Studies researcher: *‘Eventually the current economic and financial model based on market mechanisms will fade, giving way to a new paradigm. The old economic system, which needed constant market expansion and stimulation of demand in order to perpetuate itself, will soon become completely impossible to sustain. It will eventually be replaced by approaches based on rationality and pragmatism. We will see the rise of more regional powers with more palpable political influence to determine their policies. Nation states will also become stronger for a period of time, as they rebound from monetary and therefore political dependence. The old financial system, struck by debt and fiat money, will be eliminated. The new system will be based on optimizing global resource management, where regional powers and conglomerates of nations will not so much compete with each other as complement, check and balance each other. Pragmatism as the basis of national policies will travel from textbook pages into real life. The participation of society in political processes will increase dramatically, as social structures and regulations become more and more people-oriented.’*

« **Igor Frolov, Russia**, doctor of economics and head of laboratory at the Institute of Economic Forecasting (IEF), Russian Academy of Sciences: *‘If one assumes an evolutionary scenario, then foreboding about a major financial crisis grows. Such a crisis would lead not only to the restructuring of the global financial architecture, but also to major changes in the system of international economic relations... By approximately 2020–2025 there will be several crises, which will generally eliminate today’s financial and economic imbalances. The rebuilt global economy will once again achieve dynamism for 10–15 years (something like prosperity, similar to that of the 1920s). But around 2040, a major systemic global crisis will begin in the modern economy, from which it will be difficult to escape. The results of that crisis are unpredictable, but the global social structure will undergo great changes. Within the framework of this scenario, the 21st Century will become similar in a way to the 16th Century (the Reformation era).’*

On the other hand, the other half of respondents believe there will be no major shifts in the architecture of global finance before 2050.

« **Christophe Burtin, Luxembourg**, CEO and founder of Strategy & Governance (S&G): *‘I think this should be scored as “A”. The fact that banks are ruling the world, both now and in the future, with junk products, bad habits and weak regulation is a major issue for the future.’*

« **Galina Kaninskaya, Russia**, professor, Department of Universal History, Yaroslavl Demidov State University: *‘If one follows the cyclical theory of social development, including the big cycles since the time when the global capitalist/market economy was adopted, then of course the world will change. But the model should find strength within itself to self-regulate, in order to start a new turn of development. It seems that democracies have not yet exhausted their potential. Moreover, there are no major signs that the dollar will cease to play the role of global currency, which is largely supporting the global economy.’*

The same uncertainty of prospects can be observed with regard to class conflicts between the poor population and the rich elite in all countries of the world. Class conflict, which is characteristic in classical capitalism, is acquiring entirely new forms in the transition to post-industrial development. Nonetheless,

growth in the Gini coefficient, which reflects the level of wealth inequality, is observed in the USA and certain other G7 countries. In the 1960s, around 700 million people were starving around the world. Now, they number over 1.5 billion. According to various estimates, between 2 and 15 million people die from hunger and poverty each year. At the same time, around 3 million die from illnesses related to obesity⁴.

Global social problems have always been characterized by a high level of inertia, but given that the majority of the world's population live in countries that are developing (albeit at different speeds), any crisis-like deterioration in the state of the global economy could give rise to mass class conflicts, where large social groups will confront each other.

« **Leila M. Peralta, Philippines**, Adb/Anzdec capacity development specialist, Asian Development Bank: *'As immigration continues, the demographics of nations will continue to change, in some cases dramatically. The Associated Press has reported that minorities make up nearly half the children born in the USA. This is part of a historic trend, whereby minorities are expected to become the US majority over the next 40 years. Census projections suggest that America may become a minority-majority country by the middle of the century. Britain and the rest of the European Union are ignoring a demographic change: a recent rush into the EU by migrants, including millions of Muslims. This will change the continent beyond recognition over the next two decades.'*

Finally, let us look at the areas of human activity in which our research participants expect no significant changes. This concerns the influence of religion, democratization of most countries in the world, the spread of culture and enlightenment and the appearance of new, powerful and progressist dictatorships.

In the modern world, religious associations have long been important actors in international politics. In a number of cases, religion has become the pivot around which extremist and terrorist forces have concentrated. Currently, extremist groups arm themselves most often with marginal views from within Islam, which is the fastest growing religion in the world by number of adherents. On the other hand, there are a number of forecasts which suggest that growth in the middle class will make it the dominant social group by 2050. If this turns out to be true, the influence of extremist religious views will weaken, as such views rely largely on the energy of protest movements among the poorer classes. Public interest in religion as a whole will also diminish⁵. Religious identity will be squeezed out by civilizational identity.

« **Oleg Nemenskiy, Russia**, senior researcher at the Centre for Studies of States in the Near Abroad, Russian Institute of Strategic Studies: *'The globalization which has begun has already led to growth in civilizational identity. The things which unite peoples at a cultural-historical level, i.e. mainly world religions, are becoming just as important a factor in international politics as they were in the Middle Ages. But there is an important difference: this process is not necessarily accompanied by growth in religiosity. Faith is less important here than identity. The civilizational consolidation of countries is accompanied by a contradiction in the level and means of economic management, i.e. the gap between countries described as "developed" and "developing". Even environmental problems, which will constantly grow in their role and significance, vary significantly between countries in different economic and cultural groups. They will not become the basis for mankind uniting in order to combat a common danger. On the contrary, they are more likely to become a weapon for one group of countries against another.'*

The global trend for the spread of democracy around the world will remain, the international expert community believes. However, one should not expect breakthrough results in this regard. On the other hand, there is a low chance of seeing new progressist dictatorships emerge like the 20th Century regimes of Primo de Rivera in Spain, Stalin in the USSR or Pinochet in Chile.

« **Carlos A. Cortes-Gomez, Mexico**, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *'Societies in many countries around the globe are moving towards democracy. Others are suffering problems like unemployment or a lack of opportunities associated with inefficient government policies or the bad practices of politicians. Thus, it is feasible that people in future will be aware of their responsibility to demand more transparency from their authorities, to expect more and clearer information about its activities. Good practices in government accountability will be key*

⁴ <http://en.avaaz.org/1239/obesity-biggest-global-killer>; <http://www.who.int/features/factfiles/obesity/ru/index.html>

⁵ This pattern is described, for example, in research by American palaeontologist and sociologist Gregory Paul, 'The Chronic Dependence of Popular Religiosity upon Dysfunctional Psychosociological Conditions'.

to letting new democracies mature and for the consolidation of existing ones. This will happen through the “push” of civil organizations and civil movements.’

Positive processes in the world may also be facilitated by the further spread of culture and enlightenment. According to UN data, the potential is very significant: there are around 800 million people in the world who cannot read or write. However, only a very small proportion of the experts have faith that the level of knowledge around the planet will become more even.

Analyzing the experts’ answers and comments, one can conclude that there is another general trend. Whatever shifts take place in the world, the time of turbulence and shocks has not yet passed. We are going to face a global confrontation on several fronts at once, with all ensuing consequences.

« **Maksim Leguyenko, Russia**, first deputy editor-in-chief of the website Utro.ru, RBK: *‘It is highly likely that this period will be determined by a combination of two trends at once. The first is the rapid rise of science and technology (possibly with breakthrough discoveries like the invention of the Internet). This will primarily take place in developed countries (they will retain their scientific, technological, military and political leadership). China, India and Brazil may join them. The second trend is the radicalization of society in countries of the Third World and in Russia. The massive expansion of such civilizations into the developed world via national diasporas is virtually inevitable. It is highly likely that in just a few years’ time, developed countries will have to put up a barrier against this expansion in order to maintain their national and cultural identity. As a result, this will lead to a prolonged “cold” inter-civilizational conflict that may be “hot” in places. In my view, it is unlikely that the new civilization seeking its place in the sun will be diluted in the West or persuaded to adopt Western norms. A prolonged conflict is more likely.’*

« **Adil Naeem, Pakistan**, project director, Etimad Pvt Ltd (VFS-TasHeel): *‘There is a possibility of new states emerging, especially in areas where there are ongoing ethnic or religious conflicts.’*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘The world has undergone an inevitable change from a unipolar to a multipolar system. This shift it is not based on ideological questions but on reality. The “dollar system” alone cannot sustain all world trade, monetary and reserve systems, particularly after the global banking and financial crisis and the consequent dramatic increase in public debt. Even President Nixon in his famous speech of 15 August 1971, when he announced the end of the Bretton Woods system and the dollar’s decoupling from gold, spoke of the “urgent necessity to create a new international monetary system”. A new monetary system should be based on a “basket of currencies”, with the dollar, euro and yen, but also the currencies of the BRICS and other important emerging countries. It will reflect the new emerging economic and political balance of power. This will be the only way to deal properly with the global economic recovery and achieve workable peaceful international cooperation. Resisting such change will only provoke deep geopolitical and geo economic tensions, which could lead to old and new types of wars, like monetary wars, trade wars or raw materials wars. Such a process would also lead to conflicts between developed and developing countries and the rise of dictatorships. In a world dominated by nuclear weapons and other weapons of even greater destructive power, this positive solution has no alternative. The only question is: how long will it take and how much pain will humanity have to endure before its realization?’*

A PICTURE OF THE FUTURE WORLD

*The old world will die. A new world will be born, fittingly, in torment.
The question is whether the mother will die in labour.*

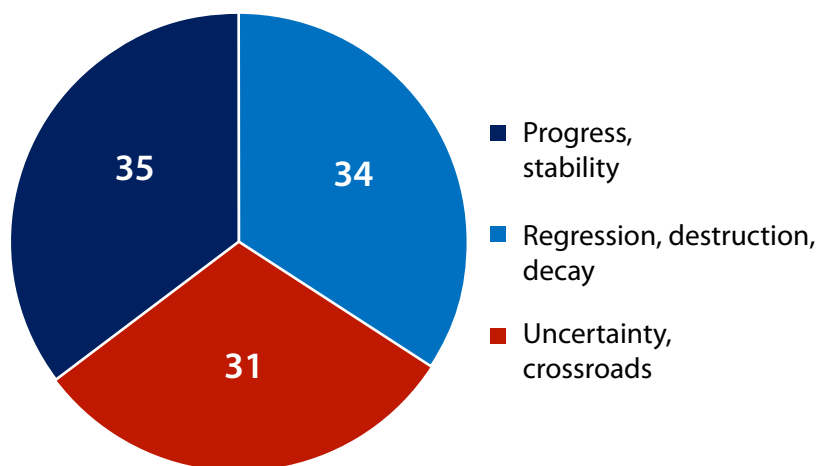
Vadim Gasanov, Russia, film-maker,
advisor of TV-channel “Russia-2”

We thus have every reason to believe that the main global problems will either remain unresolved to the end, or will take a different form by 2050. One cannot rule out the possibility that the list of problems will expand as new problems appear.

In order to create a graphical presentation of the picture of our planet’s future envisaged by the intellectual elite, we asked the participants in our research to propose **a metaphor which best describes the state of the world in 2050**.

Based on the material we received, we grouped the multiple images into a brief series of meanings which essentially describe the classic dilemma of ‘Buridan’s ass’ – a difficult choice between two equally important opportunities (Diagram 5a⁶).

Diagram 5a. The state of the world in 2050
percentage of all respondents



A third of the expert community favour a positive forecast in their vision of the future – 2050. They expect the start of an era of progress and stability. A ‘peaceful and clear’ future assumes that agreement will be reached between countries and that there will be a general ‘move towards the environmental century’, an age of harmony between science and nature, industry and ecology.

« **Christophe Burtin, Luxembourg**, CEO and founder of Strategy & Governance (S&G): *‘Trusted partners, fair exchanges and a peaceful and clean environment.’*

« **Alexander Cherkasov, China**, International Studies researcher: *‘Switching the light on after a long time in a dark room. Everything becomes clear and achievable.’*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘A dream: an “Oasis University” in the middle of the Sahara, where youth from all over the world study and work to make it into a green and liveable land with new urban settlements and agro-industrial and scientific cities.’*

Many survey participants linked the start of an era of stability to the final victory of globalization – both political and economic. Global problems will find solutions at the global level. Differences between countries will gradually be erased, even while regional leaders retain a major role.

« **José Ernesto Amoros, Chile**, professor, School of Business and Economics, Universidad del Desarrollo: *‘A fully interconnected and free world without boundaries.’*

« **Haim Breiterman, Israel**, publicist and philosopher: *‘There is no alternative to creating a single system, “humanity”.’*

« **Tiago A. Ferreira Lopes, Portugal**, founding researcher and administrator, State Building and Fragility Monitor: *‘I see the world as the Greek mythological Lernaean Hydra. The world in 2050 will be united under a single body (the global economy) but it will have several different heads (regional leaders).’*

It is highly noteworthy that a number of experts selected the metaphor of a ‘village’ or ‘big village’ when imagining the world in 2050, as a global community in which national differences have faded and people are united by global processes.

« **Reuven Paz, Israel**, director, Project for the Research of Islamist Movements (PRISM): *‘The global village will turn into a global neighbourhood.’*

« **Vladimir Sotnikov, Russia**, candidate of historical science, senior researcher, Institute of World Economy and International Relations, Russian Academy of Sciences: *‘A “global village” in conditions of new, advanced information technology and a new world order.’*

However, the following important point is worth mentioning. The ‘stability’ which the global community is supposedly going to achieve by the middle of the century is not always seen as positive

⁶ Open question. One answer (coded).

by the participants in our research. For a number of experts, the start of a ‘new world order’ means an age of ‘neo-feudalism’, ‘new slavery’ or ‘new Middle Ages’, when the ‘golden billion’ possesses the overwhelming majority of global resources, while the rest of the earth’s population is handed the role of service personnel and raw materials supplier.

« **Evgenia Zaiceva, Latvia**, chair of the administration board, Latvian Accounting and Economists Corporation: *‘We will build a new, old, feudal and slave-owning world, so that the “golden billion” can survive and continue to live.’*

« **Giuseppe Basile, Switzerland/Italy**, channel marketing manager, Rast & Fischer: *‘A big village where the elite are even more globalized but the working class is still in a local and less developed dimension.’*

The section of the expert community which envisages the world of 2050 at a crossroads is identical in size to the section which foresees progress. The majority of responses were packed with a variety of words of similar meaning: ‘uncertainty’, ‘global turmoil’, ‘see-saw world’ and so on. The wealth of synonyms only underlines the fact that this perspective is widespread.

« **Pavel Kandel, Russia**, candidate of historical science, head of the sector of ethno-political and international conflicts, Institute of Europe, Russian Academy of Sciences: *‘Buzzing and blooming confusion.’*

« **David Bent, UK**, deputy director for sustainable business, Forum for the Future: *‘Walking on a tightrope, where things might come crashing down with one false step, but if we get across then they can become safer again.’*

« **Sergey Veselovskiy, Russia**, senior researcher, Institute of Scientific Information for the Social Sciences, Russian Academy of Sciences; chairman of the board and head of the expert analytical centre IRSOT: *‘Chaos from order. It seems that entropy, in a global context as well as regional or national contexts, has a tendency to grow in all dimensions – political, economic and social.’*

A number of experts see the middle of the 21st Century as a highly ‘conflictual’ period – a time of rigid confrontations between civilizations, regions and countries.

« **Fernando Salvetti, Switzerland**, founder and managing partner, LKN-Logos Knowledge Network: *‘Escher’s stairs: multiple worlds coexisting which are different and potentially conflicting.’*

« **Dmitriy Belousov, Russia**, discipline head at the Centre for Macroeconomic Analysis and Short-Term Forecasting: *‘A conflictual search for a new system of global balance.’*

For a number of participants in our research, the ‘crossroads’ begins today: humanity faces a tough dualistic choice, ‘either-or’, the outcome of which will determine the face of the world in 2050.

« **Alla Burtseva, Russia**, commentator of Consolidated editorial board of Moscow Mayor and Moscow Government periodicals: *‘Either a rigid new “world order” under the leadership of a global government, with a caste society, a planned economy and managed demography, or general chaos in the case of the unpredictable behaviour of our planet, solar system, and so on, or a return to the ideas of building a Communist society.’*

« **Nikolay Chuksin, Russia**, economist, writer and publicist: *‘In the optimistic scenario: a difficult recovery after a long and serious illness. In the pessimistic scenario: the patient sweating a lot before death, which is very good!’*

« **Eduard Belyy, Russia**, candidate of economic science, academic secretary of the Institute of Latin America, Russian Academy of Sciences: *‘Sink or swim! The world will settle down or disappear.’*

Finally, one third of the expert community offered a pessimistic forecast regarding humanity’s medium-term prospects. They expect ‘regression’, ‘destruction’ and ‘decay’. One possible cause of the onset of such a future is the state of the environment and limited natural resources, which will eventually lead to a global crisis, military conflicts and the decay of human civilization as a whole.

« **Andreas Ranches, Bolivia**, political advisor to the Cabinet of Ministers, professor of Geopolitics: *‘Clash of civilizations and environmental instability.’*



Alla Zakharova, Russia, general director of Zarubezhgeologiya: *‘Civilizational wars. Above all these wars will undoubtedly be over drinking water.’*

Two problems are mentioned by our experts as being closely linked to the deficit of raw materials: general population aging (‘a world of pensioners’) and overpopulation of the planet (often geographically uneven).



Pablo Klein-Bernard, Mexico, research fellow, Instituto Tecnológico Autónomo de México (ITAM); economic advisor, Permanent Mission of Mexico to the WTO, Switzerland: *‘In 2050, half the world will converge towards Denmark, while the other half will converge towards Mexico.’*



Evgenia Zaiceva, Latvia, chair of the administration board, Latvian Accounting and Economists Corporation: *‘The burden is becoming too much to bear – the Earth can no longer feed so many surplus people.’*



David Bent, UK, deputy director for sustainable business, Forum for the Future: *‘We will have 9 billion people to feed in a world deeply affected by climate change and increased resource demands. We will miss many opportunities to create a sustainable future.’*

A number of survey participants drew a picture of ‘military anti-utopia’ in 2050, which is very popular in literature and film.



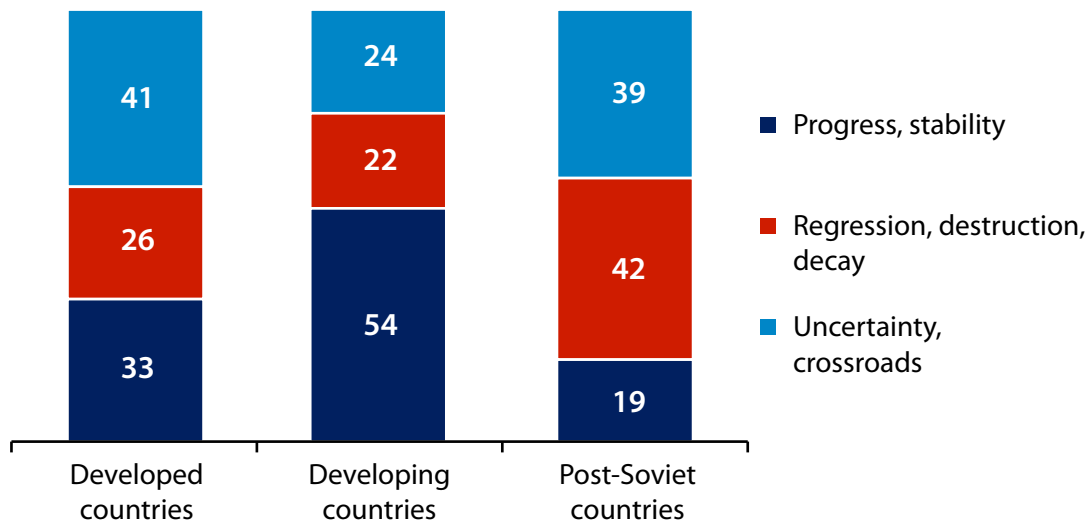
Laurenzo Santyago, Portugal, deputy director of the International Security Research Centre: *‘Total military control.’*



Alex Shlenski, USA, Partners Consulting Software Engineer: *‘A crowd of half-witted grandchildren are playing with granddad’s gun and will soon find the box of grenades.’*

To a large extent, the dominant image of the future is a diagnostic of the present. The truth of this assertion is well illustrated by analysing respondents’ answers in the various ‘clusters’ of countries’ to which they belong (Diagram 5b).

Diagram 5b. The state of the world in 2050
percentage by groups



The developing world, which is gradually becoming the centre of power and acquiring real economic might, believes in mankind’s bright future. The prospect of global destruction and decay, like the torture of uncertainty, concerns experts from newly industrialised countries least of all. For the most part, they expect the birth of a better new world in which their states will play a substantial role.

Representatives of the developed world hope for progress but are far from sure that it will soon be achieved. In this picture of the world, it seems we face a lengthy torture of uncertainty and stagnation at the crossroads.

As for the picture of the world envisaged by the intellectual elite of the post-Soviet space, it clearly reflects the current state of affairs, as well as the extensive experience of historic cataclysms which our countries have lived through in the past two decades or so: destruction and complete uncertainty regarding future prospects, with low hopes for progress.

END OF THE AGE OF REVOLUTIONS?

*All the achievements of revolutions boil down
to the destruction of the past, not the construction of the future.
If people have a clear idea of what they want to build then they do not need
revolutions: an evolutionary process will lead
to the same results but without the suffering and pain.*

**Adin Steinsaltz,
winner of the Israel Prize in 1988**

The 20th Century had a wealth of revolutions. Even omitting the many ‘revolutions’ linked to scientific and technological progress and associated ‘revolutions’ in the area of social relations, a whole series of shocks and revolutionary transformations took place in the previous century in various countries and even regions. These led to a radical change in the social structure, the form of government and the system of relations in society. Above all, this relates to the October Revolution in Russia in 1917 and the changes which took place in Germany after the Nazis came to power in 1933. The clash between those two regimes and the USSR’s victory led, amongst other things, to a series of revolutions in a number of countries in Eastern Europe, Asia, Africa and in Cuba. The Islamic revolution in Iran in 1978–1979 can also be put in the category of similar events.

If one leaves aside a moral assessment of the abovementioned regimes, the effectiveness of development was very high, judging by the number of achievements made during their existence. It is sufficient to recall the article in the Encyclopaedia Britannica about Stalin: ‘... he took charge of a Russia with wooden ploughs and left it with nuclear reactors...’, which is so often cited by Russians nostalgic for the USSR. Nevertheless, both Nazi Germany and the Socialist regimes of the countries of Eastern Europe, led by the USSR, suffered an historic fiasco.

Just over a decade has passed since the start of the 21st Century, but this short period has been marked by multiple ‘coloured’ revolutions and the destructive wave of the ‘Arab Spring’.

At the same time, major changes in social organization, economic management and society have taken place over the past 50 years in a number of countries in Asia – Japan, South Korea, Singapore, Taiwan and Turkey. The result has been a sharp rise in the global competitiveness of these countries, a change in their geopolitical status and an equally sharp rise in the prosperity of their populations. After three decades of reform, China has become the world’s second largest economy.

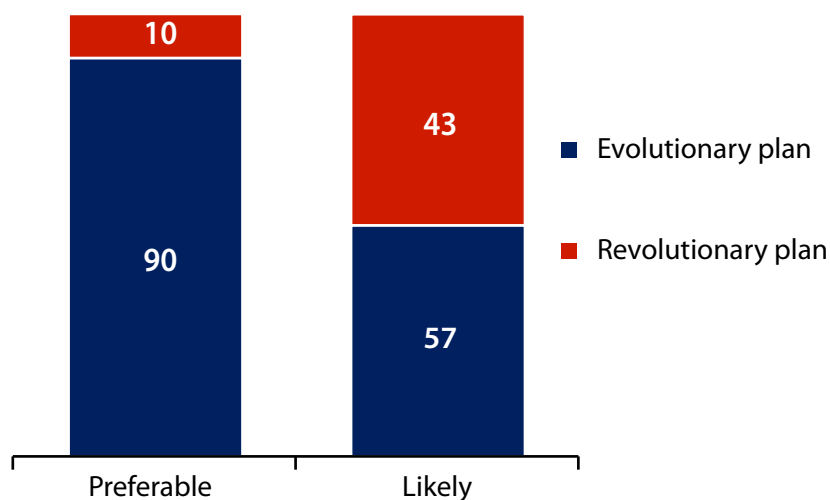
Given the scale of socio-economic change, the shifts in the abovementioned countries could easily be described as ‘revolutions’. However, the changes did not come in a short burst followed by stagnation. They were not accompanied by acute social shocks with a lot of victims. On the contrary, the changes bore all the hallmarks of steady development, not always even, but stable.

The reason for the phenomenally fast development of a number of these countries was a combination of revolutionary transformations in various areas of public life and the ability to embrace the existing rules of the game set by the dominant centre of power – the West, maintaining a strategy oriented towards international competition.

Which path of state development between 2013 and 2050 do you consider most preferable – revolutionary or evolutionary? And which path do you consider most likely? We posed these questions to the global expert community. The results were highly revealing (Diagram 6⁷).

⁷ Closed question. One answer each for the questions ‘preferable’ and ‘likely’.

Diagram 6. The development path of states, 2013 – 2050
percentage of all respondents



The vast majority of experts unconditionally preferred the evolutionary path of development.

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine 'Kompaniya': *'We are standing before such a rapid acceleration in development that even gradual development will subjectively be understood as permanent revolution – as constant breaks in the former way of life and former structures. Therefore, from a subjective point of view, a slower, more evolutionary development path would be much*

more merciful, gentler and more humane. But we are not free to choose the pace of development.'

« **Andrij Halushka, UK**, senior analyst at the Credit Agricole Corporate and Investment Bank: *'The evolutionary path seems preferable and more likely – at least at the moment.'*

No more than 10 per cent of respondents favoured revolutionary social transformations. Supporting arguments in this case were the faster pace of change and the impossibility of breaking down the American-European style of conducting politics, which prevails today, by any other means.

« **Leila M. Peralta, Philippines**, Adb/Anzdec capacity development specialist, Asian Development Bank: *'Unless we change our ways, the revolutionary path may be the only option for state development.'*

At the same time, the answers of our survey participants repeatedly underlined the negative consequences of political revolutions and their dubious results from the point of view of achieving the original goals.

« **Vladimir Portyakov, Russia**, deputy director of the Far East Institute, Russian Academy of Sciences: *'The result of political revolutions differs sharply from plans and expectations; it tends to be negative (apart from some national-liberation revolutions).'*

« **Sergey Rasov, Kazakhstan**, political columnist at Politcom.ru: *'Revolutions are necessary; sometimes one cannot do without them. But they throw a country decades into the future until things revert to norm again. Therefore, I hope for common sense, the wisdom of mankind and its leaders, who will give preference to a slower but less bloodthirsty solution to the crisis than the bloody meat grinder.'*

« **A. Huzaim Abdul Hamid, Malaysia**, chairman and CEO, Ingenium Advisors: *'Revolutions do not last. They often end as quickly as they start, or with the demise of the propagators of the ideas behind the revolution.'*

Yet such unanimity only concerns the preferred picture of the future. As for existing reality, the experts are far less inclined to believe that countries will choose an exclusively evolutionary development path. Incidentally, there are still more optimists than sceptics on this issue.

« **Giuseppe Basile, Switzerland/Italy**, channel marketing manager, Rast & Fischer: *'I hope that economic and financial interconnections will make the revolutionary path even less likely, at least at the global level.'*

« **Aleksander Apokin, Russia**, senior expert, Centre for Macroeconomic Analysis and Short-term Forecasting: *'Currently there is an insufficient social base for changing the political order through violence in developed states. I think the chain of "Arab Spring" revolutions has been a kind of "inoculation" against revolutions in the coming decade for ruling regimes in developing countries.'*

It will prompt a more active resolution of existing structural problems and “internal democratization” in line with the Chinese model.’

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub): *‘There will be no revolutionary development of any kind, but some minor revolutions in technology, health sciences, agronomic sciences, electronics, new materials, nanotechnology and so on... Revolutions are for backward societies.’*

« **Andrey Medushevskiy, Russia**, tenured professor at the National Research University Higher School of Economics: *‘Real positive changes can only be achieved without revolutionary ruptures and the thinking section of the international elite is quite conscious of this fact. Of course, such an approach does not rule out and even envisages radical reforms in various areas of life.’*

Over 40 per cent of survey respondents expect the onset of revolutionary events for various reasons: governments ‘may lose control’ when conducting necessary reforms; the old system may put up too much resistance; the situation may be spurred by an intensifying battle for resources at the geopolitical level; a worthy ‘counterweight’ to radical ideas may not be found in society, and so on.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘An evolutionary path is preferable because of its peaceful way of achieving goals. This method might come to fruition, as technological, political or cultural understandings can be reached in the global arena. The evolutionary path seems to be championed by individual enterprises and corporations in all sectors of the economy and scientific development... The revolutionary path seems likely, as most nations face a revolution in social, economic, and political issues, which in turn could have a spill-over effect. A case in point is Syria and the European Union’s financial crisis.’*

« **Vadim Gasanov, Russia**, film-maker, advisor of TV-channel “Russia-2”: *‘In principle, radical and extremist ideas are most attractive to the masses. Accordingly, the leaders who preach such ideas are also attractive. The spread of these ideas is further facilitated by the simple fact that the generation which remembers the dangers, victims and complications of revolutions has almost completely left the scene. Also, the pace of life is such that the evolutionary path may turn out to be fundamentally unacceptable for the majority.’*

« **Alexander Cherkasov, China**, International Studies researcher: *‘The revolution will be more about the way resources are managed than their redistribution between political groups. In many ways, the coming shift will mean evolving away from outdated systems and views. But this process may sometimes take reactionary forms as the new leadership arises.’*

The experts often suggested that likely scenarios of future development would vary by region. The Middle East, Asia and Africa continued to be named most often as ‘zones of potential revolutions’.

« **Diego Iribarren, Qatar**, economic advisor to the CEO, Qatar Development Bank: *‘The prolonged timeline makes it probable that states will evolve through a combination of both paths. The question is a bit vague, as the revolutionary/evolutionary dichotomy depends, above all, on the specificities of the context and the initial conditions. Both may vary significantly across the world.’*

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *‘One should make the reservation that the evolutionary development path, while preferable, cannot be guaranteed as likely in all countries of the world without exception. The presence of acute contradictions and conflicts in a number of regions and countries of the world will inevitably prompt revolutionary shocks there. Currently, the Middle East and North Africa is such a region.’*

« **Rohit Talwar, UK**, CEO, Fast Future think tank: *‘Countries are already pursuing a mix of both paths – while they prefer evolution, revolution will be necessary to overcome the scale of some of the challenges emerging. The difficulty is that politicians don’t have the tools, processes or courage to explain the scale of change required. They are too worried about short-term electoral cycles.*

Some countries may even change the electoral model to a long-term coalition to help tackle the scale of their internal crises.’

We should note one other point that we consider highly important. A theme which could be described as ‘a different revolution’ often arose in the experts’ comments. In this case, the revolution was unambiguously positive. It concerns the necessary reforms which should be truly revolutionary in nature and qualitative leaps in the growth of human knowledge and abilities.

« **Tiago A. Ferreira Lopes, Portugal**, founding researcher and administrator, State Building and Fragility Monitor: *'The idea of a revolutionary path does not necessarily include social, political, symbolic or structural violence. It encompasses a rapid transformation to something new and more able to respond to contemporary and future multidimensional issues.'*

« **Carlos A. Cortes-Gomez, Mexico**, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *'In my opinion, a revolutionary path (not civil disorder, just in ideas) will be required for economic sustainability. However, economics are closely linked to politics, making an evolutionary path the most likely economic and social behaviour between 2013 and 2050. This means slow and gradual changes.'*

« **Aleksey Romanchuk, Moldova**, senior university teacher at the Higher Anthropological School: *'One does not rule out the other. The evolutionary accumulation of quantitative changes will lead to revolutionary leaps to a qualitatively new level.'*

Overall, the picture of answers provided by the experts unquestionably testifies to the total victory of 'evolutionary views' and a certain scepticism regarding how things will turn out in reality. Furthermore, this is the only area of the research where no variation at all was found between the answers of experts from different groups of countries. In other words, expectations with regard to which development path our world will take are universal and match across all parts of the planet: nobody wants revolutions but they are not ruled out.

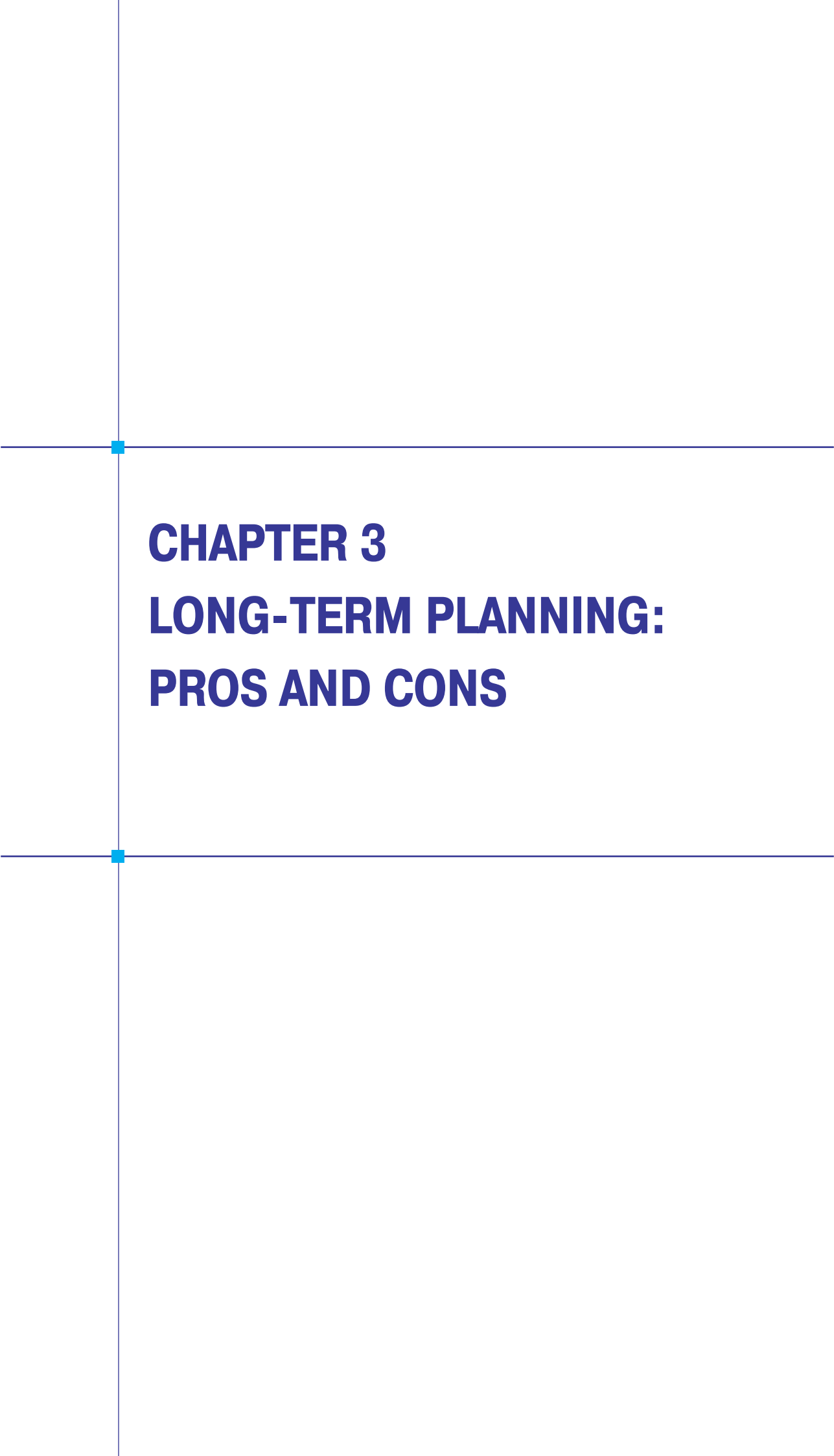
It appears that the first half of the 21st Century will be just as contradictory as the previous century. The majority of current trends will be maintained, both positive and negative. At the same time, it remains unclear whether changes in world practice in the coming 40 years will represent an age of predominantly quantitative growth (as in 1960–2000, for example) or whether it will be a period of revolutionary changes (as in 1920–1960).

The high degree of uncertainty complicates the search for a good path and leads to all kinds of excesses. The leaders of many countries face an extremely difficult but very urgent question: 'Where next?' In a number of cases it has a more acute formulation: 'How to survive?'

As it seems impossible to foresee qualitative changes in global practice, especially in the medium and long term, a win-win option is to choose a strategy based on pure pragmatism: 'Be ready for any changes, even the most fantastical, ensuring strategic planning and progress in areas where development is unpredictable'. The next chapter will consider the extent to which this is possible.

However, there is a 'zone of certainty': the path a country chooses is optimal if it envisages gradual, evolutionary development supplemented by breakthrough revolutionary reforms in the economy, politics and society.

It is highly likely that new reform precedents will be set in the period up to 2050 in various countries, reminiscent of reforms conducted in Japan and the 'Asian tiger' countries in terms of their depth and speed. Clearly, within the framework of these reforms, an orientation towards effective integration with the world market, balanced development and maintenance of stability and internal security should be among the basic approaches. Finally, it is also clear that the future of the world will be linked to the formation of new regional centres of power. Therefore, the states which are able to conduct radical reforms first and achieve impressive results will undoubtedly benefit in the geopolitical order of the new multipolar world.



CHAPTER 3
LONG-TERM PLANNING:
PROS AND CONS

THE INVISIBLE HAND OR THE RULER'S EYE?

This “telephone” has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us.

From a Western Union internal memo, 1876

Many forecasts made in the past seem strange today. In one of the most famous cases, it was predicted at the end of the 19th Century that towns would soon suffocate in manure dust. One cannot say that the calculations were inaccurate: the number of necessary horses was calculated based on the pace of growth in goods transportation in towns; then the volume of manure was calculated. The volume of goods transportation grew as expected. However, the expected collapse did not happen thanks to the appearance of motor vehicles.

Relatively recently, in 1981, Bill Gates – someone who can hardly be called a non-specialist in the area of computer technology – said that ‘640 KB of memory should be enough for anyone’.

There is a rather long list of similar examples. Discrepancies between the predicted results of development and reality mainly occur in the field of science and technology, which is highly volatile and most resistant to extrapolations. However, forecasts in the areas of society, economics and politics are also often imprecise, if not wrong.

In recent years we have repeatedly witnessed systemic mistakes in the assessment of crisis phenomena. Since the start of the global financial-economic crisis in 2007, the majority of landmark shocks were initially qualified by leading world institutions as purely ‘local’ crises and conflicts: the local ‘sub-prime crisis in the USA’; the local ‘Greek crisis’; the local ‘phenomenon of Arab revolutions’; the local nuclear disaster in Japan. The majority of leading analysts, followed by politicians, could not immediately grasp the global scale of what was happening or the far-reaching consequences of events.

There were no advance forecasts of any of the regime collapses that occurred during the ‘Arab Spring’. Even in winter 2011, when a wave of demonstrations and protests was rapidly spreading through the countries of North Africa and the Middle East, the duration, depth and possible consequences of the crisis in the Arab world continued to be underestimated.

It must be admitted that predictions based on linear extrapolation of existing trends are failing in almost all areas. That kind of methodology works well in stable societies, but the period of stability is now over; new factors have come into play and the world has entered a qualitatively new state of phased transition to a multipolar model of human civilization. The transition will last at least 10 years and will be accompanied by heightened economic and political competition.

In the period after World War II, major successes in national economies were mainly linked either to large volumes of natural resources entering into use, or to exploitation of the achievements of scientific and technological progress, when industrialization went hand in hand with using advanced managerial technologies.

At the same time, a tradition was established – largely influenced by the impressive scientific and technical achievements of the 20th Century – of looking at scientific and technical process as an inexhaustible resource. Yet if one imagines any area of new knowledge as a deposit of subsoil resources, one should not forget that the deposit can only be mined at the surface at the beginning. As it runs out, more expensive and complex technology has to be applied. One hundred years ago, many great discoveries in physics were made using rather simple experimental equipment. In the middle of the 20th Century, very expensive ‘neutrino telescopes’ had to be created to answer one particular question about the existence of the neutrino. Then recently, the famous Large Hadron Collider at Cern had to be built to solve another particular question about the existence of supermassive elementary particles. Its construction was beyond the capability of one country alone.

Thus, unbelievable discoveries may await us in the near future, but so may a progressive reduction in the pace of scientific and technical advances – partly because of the excessively high expenditure required. In other words, there are no guarantees that the future will be more abundant than the present.

At the same time, the process of globalization and increased knowledge among the population is causing the high standards of consumption characteristic of developed countries to become an object of desire among citizens of developing states. The latter adopt economic programmes and make every effort to reach that level, including in the area of average citizens' personal consumption.

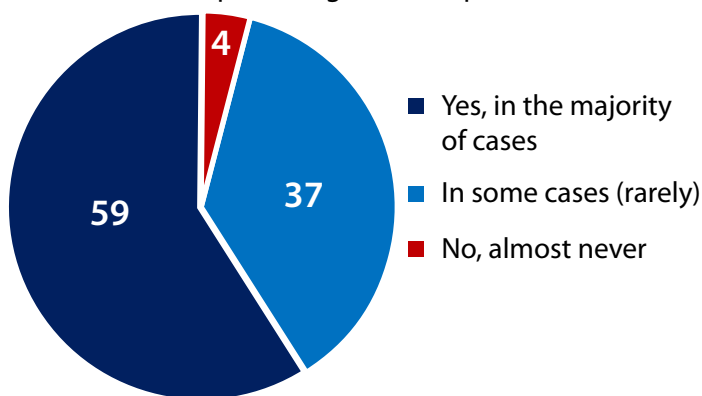
In conditions of limited resources, movement in the desired direction is only possible by keeping competitors away from resource sources and capturing a significant share of the world's wealth for one's own country. But it would be highly naive to expect that the 20 per cent of the population who today consume 80 per cent of natural resources will be prepared to surrender their privileged position without a fight in the name of a more even and fair (from the perspective of the rest of the world's population) division of the earth's resources. Therefore, various combinations and vectors of competition are possible here between developing and developed countries.

The unpredictable future and the avalanche-like nature of change greatly complicate the search for optimal development paths for national economies. In this situation of uncertainty, a logical question arises: is there any point in forecasting and regulating the economy and social development at the state level? We asked our experts:

'Can long-term state planning effectively influence the development of a country or nation?'

As Diagram 7¹ shows, around 60 per cent of experts responded to this question with a clear 'yes'.

Diagram 7. Does long-term state planning influence the development percentage of all respondents



« **Aleksey Romanchuk, Moldova**, senior university teacher at the Higher Anthropological School: *'Today, human societies have no other way of resolving global problems and ensuring a breakthrough to a new level of development.'*

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *'Long-term state planning is essential due to the challenges faced by every single country on the globe. Challenges faced by all nations include a lack of resources, the need for an educated population and a stable socio-economic society which can continue to grow and adapt to changes that might arise with each passing year.'*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *'The economy functions exclusively thanks to long-term strategic planning. It is a "grand design" that shapes the development of a nation or a continent.'*

Most participants in our survey think that long-term state planning has a positive influence on the development of almost all areas of state activity – economic growth, structures of scientific and technical development, political institutions and legislative activity, social development, labour mobility, the macroeconomic situation and geopolitical changes. Moreover, some experts particularly stressed the negative consequences which arise when states lack clear plans for future development.

« **Igor Lavrovskiy, Russia**, director of Kontako: *'The flourishing of the economy in the 20th Century resulted from state planning and state programmes, including weapons programmes. The current crisis is partly due to the goals of state planning being lost and the ideological rejection of state planning on the periphery of the developed world, including in Russia.'*

« **Alla Burtseva, Russia**, commentator of Consolidated editorial board of Moscow Mayor and Moscow Government periodicals: *'A planned economy is vital in conditions of rising consumption which the planet can no longer fully satisfy, with the need for tight control over resources, enormous expenditure on re-cultivating arable land and scientific developments to maintain an environmental balance and boost yields. Otherwise, chaos will plan everything, with military and interethnic conflicts.'*

¹ Closed question. One answer only.

Even while acknowledging the importance of state planning as a kind of activity to design the future, many experts raised doubts about the effectiveness of predicting the future. All long-term plans are therefore under threat.

« **Tiago A. Ferreira Lopes, Portugal**, founding researcher and administrator, State Building and Fragility Monitor: *‘Long-term state planning establishes deadlines and goals to achieve in the medium/long-term, but at the same time it can be a hindrance in a world of rapid transformation.’*

« **Vladimir Sotnikov, Russia**, candidate of historical science, senior researcher, Institute of World Economy and International Relations, Russian Academy of Sciences: *‘The future is multi-variant. Long-term state planning depends to a large degree on an effective, realistic long-term forecast of the development of a particular state – its economy, financial system, domestic and foreign policy. The process is influenced by too many factors that are hard to predict and sometimes cannot be effectively controlled (managed). Yet in a number of cases such planning is still possible and necessary, when a correctly constructed mathematical model of development coincides with particular processes within and outside the state.’*

Therefore, this group of research participants considers the development of strategic priorities based on long-term national goals to be the best solution. Tactics need to be flexibly adapted to changing conditions.

« **Vladimir Leonovich, Russia**, chief engineer at the Sedakov Scientific Research Institute of Measurement Systems: *‘The long term is a coefficient with low weight for the quality of management. The presence and continuity of strategy is much more important.’*

« **Andrey Medushevskiy, Russia**, tenured professor at the National Research University Higher School of Economics: *‘Long-term planning can only be effective if it takes into account future scientific and technological discoveries (capable of changing everything). But the problem is that this side of things is very difficult to forecast and consequently plan for. History shows that all plans (especially long-term ones) proceeded from ideas that were dominant at the initial phase, but which then became outdated in conditions of a rapid pace of change. Instead of talking about planning, one should talk about a system of priorities and create a mechanism to achieve them, with the flexibility to change tactics.’*

Around a third of the experts surveyed see long-term planning as useful only in a limited range of cases. The majority of them believe it can have positive results at the initial phase of the latest stage of economic development. The countries of Europe are often mentioned as examples here, as are Taiwan and Japan after World War II. The experience of the USSR is also recalled frequently.

However, this section of the pool of experts believes that state planning becomes less significant as the technological level of national economies becomes higher and more complicated. There are a number of reasons for this: greater instability in advanced technology markets; increased demands on company strategy; the increased significance of having freedom to manoeuvre economically; and not least the globalization of markets, and so on.

« **David Bent, UK**, deputy director for sustainable business, Forum for the Future: *‘Long-term state planning can effectively (i.e. positively) influence development, but it needs to be done well. It may also be good for a particular stage of development (the shift from agriculture to manufacturing) but not in later phases (which rely on primary innovation and creativity).’*

« **Igor Frolov, Russia**, doctor of economics and head of laboratory at the Institute of Economic Forecasting (IEF), Russian Academy of Sciences: *‘State planning is effective if: 1) the country’s economy is relatively isolated from the world economy (like the USSR until the 1970s); 2) the country’s economy specialises in growing sectors of the world economy (like contemporary China) within the framework of the global division of labour. But both these cases are historically localised. China, like the USSR in its time, will also exhaust its potential (approximately in the 2020s).’*

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub): *‘[State planning is] not as easy as some people think. State bureaucrats are conservative, narrow-minded, too lazy and not very productive. Some good bureaucracies which are based on merit, a system of benchmarking and market-like inducements can perform well, as the cases of Korea and China illustrate. However, for this you need to have real statesmen in charge, not traditional (and sometimes corrupt) politicians. The best way is still to have high-quality*

human capital, plenty of inducements for innovation and technological advancement, starting with good science and strong competition among economic agents. In other words, a market-based system, perhaps guided by Illustrated Bureaucrats.'

Among the strong supporters of the 'invisible hand of the market' are those who totally deny the usefulness of long-term state planning in the development of a country and nation. It should be noted here that fewer than 5 per cent of participants in our survey hold this view.



Junji Nakagawa, Japan, professor of International Economic Law, Institute of Social Science, University of Tokyo: *'As shown by the experience of former socialist countries, including the USSR, more often than not mistakes are made in long-term state planning and the mistakes are often totally detrimental. Market-based economic development with adequate and modest governmental control is a far more promising approach.'*

It is typical that the representatives of various groups of countries display considerable solidarity in their attitude towards long-term state planning. Patterns in answers were similar, with minor and entirely expected variations: experts from developing countries referred more frequently to the positive role of state planning and forecasting, whereas survey participants from developed countries spoke more often about the limitations of application; they prefer market signals. The expert community from post-Soviet countries takes a position in between: it seems the ambiguous inheritance of the 'Soviet planned economy' is telling here.

FROM A PLAN TO LEADERSHIP

Tactical successes cannot compensate for strategic failures.

Carl Philipp Gottfried von Clausewitz

As an economy develops there is a concentration of capital; large and super-large corporations arise, which have their own substantial information and forecasting capabilities. In other words, they possess the ability to plan, which is organically included in the system of unique corporate culture of management and socialization of personnel. Consequently, a steady trend has emerged in recent decades: in a way, the functions of strategic state planning are being delegated to the area of big business. This frees state resources from work which has become routine, allowing the state to concentrate on the development of infrastructure and optimizing institutional organization.

France and Japan, which were most famous for their successful planning systems in the 1950s to 1970s, subsequently moved away from their initial schemes and reassessed the role of the state as a motor for development. The experience of the USA should also be mentioned here. Unlike the countries of post-war Europe, the USA became a global economic leader before the age of plans, but it too had to engage in state planning due to the limitations of market mechanisms for long-term development. It is true that the USA, unlike European countries, did not face the post-war task of rebuilding its economy. Its planning was not on a national scale; it was limited to particular programmes, such as the space programme. But the USA is also an example of 'division of labour' between the state and big business in the area of strategic planning.

However big the business is, and however widespread around the world in the form of transnational corporations, it remains a private player, even in monopolistic markets. A market is still a market, vulnerable to cyclical crises. As we have seen in the recent crisis, the results of which have not yet been overcome, even globalization does not free the market from cyclical, uneven development. Market collapse inevitably required intervention by the governments of various countries. However, countries with a limited planning system had only a very modest set of tools with which to influence the situation. Meanwhile, countries with a developed planning system — such as China — suffered less in the crisis.

It is far from coincidental that one of the few new ideas voiced at the Davos forum this year concerned the use of companies' experience by governments. Thus, following the example of most major companies, which have special top managers to work on risk and draw up development strategies

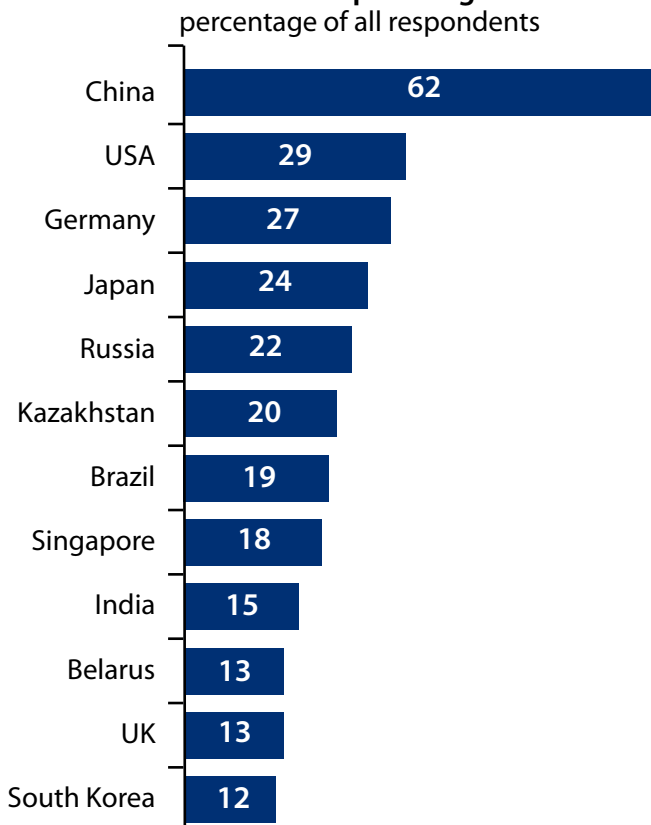
for crisis conditions, governments around the world were advised to introduce special ministerial posts to assess economic, environmental, political and technological risks. It appears that the crisis of ideas has made people shake the mothballs from the basic truth of state planning and reintroduce it: ‘a constant regard for the future makes it possible to discover risks in time and simultaneously take measures to avoid negative results’.

In this regard, each country faces the issue of balancing between the planning of the state and the planning of big business; the issue of how much authority over strategic development to delegate to

major corporations. We asked the participants in our research to identify the **countries which have the most interesting experience of state planning** (Diagram 8²).

The results seem both predictable and paradoxical. The absolute leader here is China, which is entirely as expected. China continues to enjoy very formidable growth, although some people doubt China’s potential, saying it is almost exhausted.

Diagram 8. Most interesting experience of state planning



Adil Naeem, Pakistan, project director, Etimad Pvt Ltd (VFS-TasHeel): *‘China: is emerging as a world superpower, using foreign trade, development and aid as a means to reach that goal.’*

It is very interesting that the USA and Germany take second and third place. They are countries which do not favour state planning. It is paradoxical that hi-tech Japan has an almost identical score to raw-materials Russia. Incidentally, Russia’s decent share of the vote is a tribute to the past: experts often recall the USSR’s wealth of experience in state regulation.



Nikolay Chuksin, Russia, economist, writer and publicist: *‘One should not discount the USSR’s enormous positive experience of state planning, which has*

been extensively borrowed by China. With modern information technology, such planning would be vastly more effective.’



Alla Burtseva, Russia, commentator of Consolidated editorial board of Moscow Mayor and Moscow Government periodicals: *‘The most grandiose experience of state planning is that of the USSR between the mid-1920s and the end of the 1960s – the results are clear for all to see.’*

Evidently, the USSR’s experience in retrospective is far from unambiguous (a point raised by many experts). The same can be said for the experience of state planning in modern Russia, which was frequently subjected to criticism by participants in the research.



Oleg Nemenskiy, Russia, senior researcher at the Centre for Studies of States in the Near Abroad, Russian Institute of Strategic Studies: *‘The experience of post-Soviet Russia demonstrates extremely clearly that to conduct a policy and reforms without thinking of the results more than two or three years down the line means engaging in primarily destructive activity, constantly hitting against unforeseen consequences.’*

The countries in positions 5 to 10 for state planning are led by Kazakhstan, followed by newly industrialized countries – Singapore, Brazil, India and South Korea.

² Open question. Multiple choice.



Andrey Medushevskiy, Russia, tenured professor at the National Research University Higher School of Economics: *'Unlike the USSR, with its inflexible directed planning, these countries (Singapore, South Korea) have achieved their economic goals without wearing out the nation, solving problems of modernization without establishing tyranny.'*



Fedor Lisitsyn, Russia, senior researcher at the Ivanovskiy Scientific Research Institute for Virology, Russian Ministry of Health and Social Development: *'The experience of Belarus and Kazakhstan is most interesting, with the Baltic states as a counter-example.'*

Young Kazakhstan's breakthrough into the list of leaders appears most paradoxical at first glance. Indeed, seven countries in the list are among the ten biggest world economies: the USA, China, Japan, Germany, Brazil, Russia and India (in descending order, according to the World Bank rating of 2012). South Korea and Singapore are also among the major economies which belong to the G20. Moreover, they are pioneers among the 'Asian tigers' which in their time enjoyed a new economic miracle. Kazakhstan, meanwhile, has only just entered the top 50 by GDP; it occupies 49th place in the global rating of countries.

On the other hand, we see Kazakhstan's case as a kind of model example from the point of view of long-term strategic planning effectively influencing a country's development. Back in 1997 Kazakhstan adopted 'Strategy-2030', becoming the first post-Soviet state to apply long-term planning to construct a modernization model. This was clearly not the only factor which determined the results of the country's development in the following 15 years. Yet comparison of the results achieved against the results of the other two biggest economies in the post-Soviet space – Russia and Ukraine – is very convincing. Comparison with Russia in this case is particularly interesting, as the economies of Russia and Kazakhstan are very similar structurally.

In the year prior to the crisis, the rating of global competitiveness for 2006–2007 (The Global Competitiveness Report) compiled by analysts at the World Economic Forum put Russia in 62nd place; Ukraine in 78th place; and Kazakhstan in 56th place among 125 countries. In the most recent World Economic Forum rating of countries for 2012–2013, Russia occupies 67th place, Ukraine occupies 73rd place, while Kazakhstan is 51st among 144 countries.

According to a rating of countries' standard of living in 2006, Russia was in 65th place, Ukraine was 77th and Kazakhstan came 79th. Last year, in 2012, the picture looked as follows: the standard of living in Russia and Ukraine had changed negligibly – they held 66th and 71st places respectively. Meanwhile, Kazakhstan had jumped up to 46th place in the rating.

Finally, in the World Bank's rating of countries for the ease of conducting business (Doing Business), Russia was in 97th place in 2006, Ukraine was in 132nd place, while Kazakhstan was in 82nd place. In recent years the dynamic has been more than revealing: in the most recent Doing Business rating for 2013, Kazakhstan is in 49th place, Russia is at 112, while Ukraine is in 137th place among 185 countries.

Quite recently, Kazakhstan adopted new long-term strategic priorities, which will determine the country's development up to 2050³. They will serve as a guide for short- and medium-term planning. The need for such a guide is explained by the new global challenges and opportunities which are faced by a state located in the most dynamically developing region of the planet.

To sum up this chapter, we have to follow the example of Heraclitus and say that it is impossible to enter the same river twice. The post-war conditions for economic development differed greatly from the conditions of the 1980s, for example, which in turn were very different from conditions today. The world is changing in front of our eyes. Environmental problems and the likely natural disasters related to them; globalization; shifts in the geopolitical balance of power; the current slowdown in scientific and technological progress; and rising transaction costs in the global economy, alongside the declining effectiveness of economic processes, pose different problems and represent fundamentally new challenges. This concerns long-term state planning, amongst other things.

³ Address by the President of Kazakhstan N. A. Nazarbayev to the people of Kazakhstan, 'Strategy "Kazakhstan-2050". A new political course for a prosperous state', 14.12.2012.

The old planning systems are applicable in today's conditions in a very limited form, or require major modification. However, it should be noted that the role of state planning becomes more important as the likely developments in worldwide trends become more dangerous. It follows that the state should devote greater attention to this area, drawing up a model that is appropriate for the goals, tasks and level of development of the economy and nation.



Aleksander Apokin, Russia, senior expert, Centre for Macroeconomic Analysis and Short-term Forecasting: *It is inevitable that the state should play a leading role in “development projects” (long-term, high risk or low risk), which create significant advantages for the economy and society as a whole. This role should be closely linked to the way society envisages its future. For its part, economic development (territorial, sectoral) in the private sector should on the one hand determine the configuration of these “development projects”, and on the other hand use them, i.e. guarantee that the projects will not be implemented in vain. Thus, without collective long-term planning for the future by the state and private companies, “development projects” are either impossible or useless.*

To all appearances, long-term state planning and forecasting become more important the further the national economy lies from regional and global leadership. But even this rule ceases to be unshakeable in the age of change. For example, last year the Japanese government, in an attempt to overcome the stagnation which has lasted almost 20 years, adopted a ‘Strategy for the country’s revival up to 2020’, which focuses on the development of the energy sector, agriculture, fisheries and medicine.

Furthermore, long-term state planning represents ‘national goal-setting’, as some of our experts put it. The main thing here is not precise means, instruments and tactics (which change rapidly with the passing of time), but strategic goals and priorities, guiding both markets and business and the nation as a whole.

In recent years, the Foresight technique has been applied more and more widely in order to achieve qualitatively new results in the areas of science and technology, economy, state and society. The Lisbon strategy adopted by the European Union even recommends all member-states of the EU to use this instrument as much as possible². It is known that foresight is based on the fact that the future cannot be predicted, but one can be ready for it; whether the ‘desired’ future is achieved depends on actions taken today.

Long-term planning itself can be seen as a kind of foresight. By guiding the nation to achieve strategic goals, the state creates a vector of coordinated movement and sets the direction for uniting forces; this alone can become a source of competitive advantage.

⁴ *Thinking, Debating & Shaping the Future Foresight for Europe, 2002.*



CHAPTER 4
ENERGY
AND THE GLOBAL ORDER

*The Stone Age did not end for lack of stone,
and the oil age will end long before the world runs out of oil.¹*

**Sheikh Ahmed Zaki Yamani,
former Saudi Arabian minister for oil**

Experts from various countries agree that known fossil fuel reserves will last for at least another 100 to 150 years. Reserves of nuclear fuel, if used in fast-neutron reactors, will last for hundreds of years. It seems there are no grounds to fear that civilization will soon perish from an energy famine. However, the consequences of energy market instability can have the most dramatic consequences.

An energy crisis occurred for the first time in 1973, after Saudi Arabia reduced oil production with the aim of increasing revenues. A five-per-cent reduction of production by the OPEC countries prompted a 70-per-cent rise in prices and was largely the cause of the subsequent global economic crisis. Energy-importing countries therefore focused on the problem of stabilizing the market of energy supplies and the energy economy. This in turn prompted overproduction of oil in the 1980s, against a backdrop of industrial decline in developed countries, which inflicted a heavy blow on oil-producing countries. Later, many oil-exporting states in the Persian Gulf, Latin America, Africa and the Caspian basin suffered from falling oil prices during the Asian crisis of 1997–1998. In Russia, for example, the result was default and a four-fold devaluation of the national currency. The cost of energy price fluctuations has clearly been extremely high.

Due to the destabilizing influence of the international energy market, interest in renewable sources of energy – so-called alternative energy – has risen sharply in developed countries. Such energy is viewed as a way to gradually eliminate energy dependence. So far, alternative energy provides no more than 5 per cent of global energy production, although it is growing at a rapid pace (up to 7 per cent annually).

The development of nuclear energy is a very promising idea for energy-consuming countries. However, plans to use the ‘peaceful atom’ depend heavily on public opinion, which in turn is subject to sharp fluctuations due to major accidents at nuclear power stations. Nevertheless, despite the serious consequences of the most recent accident at Fukushima, the world is continuing to build nuclear reactors, including reactors of the next generation, which are distinguished by their greater passive safety. Such reactors are being constructed in China and the USA, while India is building the first thorium reactor in the world, with a fundamentally new safety level. Japan and Germany, on the other hand, have abandoned nuclear energy. This is highly likely to be a temporary decision until international experience demonstrates the complete safety of the new generation of reactors.

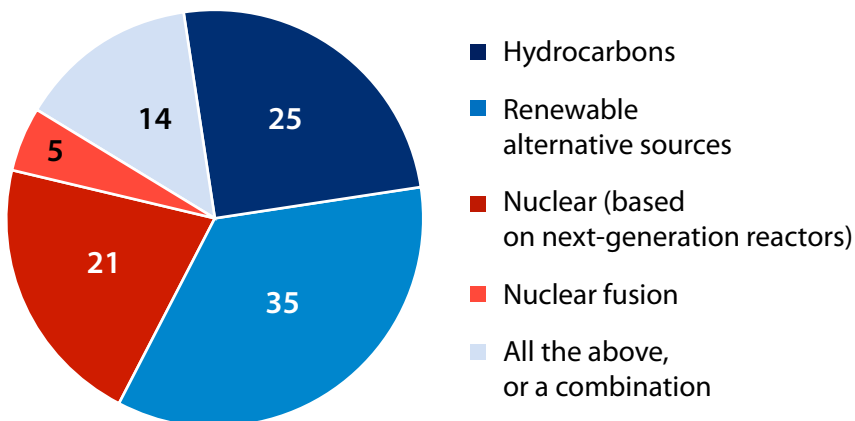
Besides the nuclear sector, there is development in deriving energy from the pure motor fuel, hydrogen, as well as in the industry of fuel elements. So far it is hard to assess the results, but the USA has said that 50 per cent of liquid fuel consumed there will be replaced by hydrogen before 2020. Hydrogen fuel will clearly be produced at nuclear power stations, as this makes economic sense. In particular, the USA adopted an Energy Policy Act in 2005 which stipulates the creation of reactors which produce hydrogen.

Another factor which has recently determined development trends in the world energy market is the so-called shale gas revolution – the introduction of technology for extracting gas from shale deposits. This has already contributed to a fall in world gas prices and caused major gas companies to abandon a number of projects.

Specialists believe that at least 40 years separate us from the industrial use of nuclear fusion energy. At the moment, a project to get energy from hypothetical quanta of space-time is still just

¹ *The Peaceful Atom in the 21st Century: Geopolitics, Security and New Energy*. International research by the Post-Crisis World Institute. November 2011 – April 2012, p. 35.

Diagram 9a. Main source of energy in the world by 2050
percentage of all respondents



an exotic idea. Nonetheless, breakthroughs cannot be ruled out even in these areas.

Diagram 9a illustrates the views of our research participants regarding **the kind of energy that will be most prevalent in the world by 2050²**.

As we can see, the expert community is far from homogeneous in how it imagines the future energy order.

Around half the respondents remain conservative in their assessment of energy

prospects, placing their bets on hydrocarbons or nuclear energy. A quarter of the experts give preference to hydrocarbons as the cheapest source of energy today. Increased extraction of shale gas adds to confidence in the prospects of fossil fuels. The experts believe that limits on the development of nuclear energy introduced by the ‘club’ of privileged countries may also facilitate the continuation of the hydrocarbon status quo.

« **Dmitriy Belousov, Russia**, discipline head at the Centre for Macroeconomic Analysis and Short-Term Forecasting: *‘The global economy will generally remain reliant on hydrocarbons (with an obvious shift towards new hydrocarbons, including heavy oils, oceanic gas hydrates and so on).’*

« **Gueorgui Nikiforov, Japan**, project manager, Okinawa Institute of Sciences and Technology: *‘The richest companies in the world are those dealing in fossil fuels. In addition, hydrocarbons are the cheapest source of energy and people want to buy cheap things. Therefore, there is no incentive to switch to an alternative energy source.’*

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *‘Energy from fossil fuels will prevail until alternatives are developed which are cheaper and more effective in application. Use of wind, solar and tidal energy and so on will be limited and auxiliary in nature. Nuclear energy and hydroelectric power will not be able to replace hydrocarbon energy in the foreseeable future for environmental reasons. Nuclear fusion energy currently remains a matter for the distant future.’*

« **A. Huzaim Abdul Hamid, Malaysia**, chairman and CEO, Ingenium Advisors: *‘The opposition displayed by the USA and the IAEA towards states “outside the fold” developing nuclear power will continue to ensure that hydrocarbons remain the most prevalent form of energy into the future.’*

« **Andrij Halushka, UK**, senior analyst at the Credit Agricole Corporate and Investment Bank: *‘The impression is forming that the shale gas revolution in America (and the possibility on the horizon of that enormous economy becoming energy independent, which was unimaginable 5–10 years ago) is a hint that there will be an abundance of hydrocarbons in the coming decades, perhaps longer.’*

A slightly smaller number of experts spoke in favour of nuclear energy, particularly if technological improvements are introduced in the sector so that the safety of nuclear power stations increases.

« **Junji Nakagawa, Japan**, professor of International Economic Law, Institute of Social Science, University of Tokyo: *‘It all depends on whether there is technological innovation in renewable alternative sources. Otherwise, nuclear energy will be the most reliable source in 2050.’*

« **Maksim Leguyenko, Russia**, first deputy editor-in-chief of the website Utro.ru, RBK: *‘Nuclear energy will be safer and will probably become the main energy source, taking around half the market.’*

² Closed question. One answer.



Chris Nancarrow, USA, clerk of the Allen Circuit and Superior Courts, Indiana; chief deputy: *'Despite the growth of natural gas production, especially in the USA, I think and hope that nuclear energy will begin to become more cost-effective and safer. If proper precautions are taken and more technological developments occur in this method of energy production, then I believe the global perception of nuclear power will improve and its development will be pursued.'*

It should be noted that an extensive international discussion arose after the accident at Fukushima in March 2011, during which the development of nuclear energy was once again thrown into doubt. However, just one year after Fukushima the expectation of nuclear energy being further developed is dominant in the international expert community and among political elites.

International research conducted by the Post-Crisis World Institute, 'The Peaceful Atom in the 21st Century: Geopolitics, Security and New Energy', which was published in April 2012, looked in detail at the prospects and strategies of development in the nuclear sector, including the geo-political aspect³. A most important question was formulated in the report: what development path will be chosen by the newly industrialized countries which are the engine for the 'new wave' in developing nuclear energy? Will they replicate almost outdated and rather dangerous nuclear technologies, or create a new kind of energy that is modern, safe and effective? There is hope that the new energy may become a general strategy in the nuclear sector, uniting not only the BRICS countries, but also a number of old industrialized countries under certain conditions.

In this regard, the prospects of controlled nuclear fusion are very interesting. Despite being a natural part of the nuclear energy sector, it could free humanity from the main disadvantages of using energy from nuclear fission. Nuclear fusion energy solves the problem of industrial production on any necessary scale. At the same time, it is much safer than energy from splitting uranium and uses virtually inexhaustible fuel resources; it reduces the problem of radioactive waste to a minimum and completely eliminates the risk of a situation like Chernobyl or Fukushima.

Yet today, only a few experts believe that nuclear fusion energy will take its place in the world's energy balance by 2050.



Paolo Raimondi, Italy, economist and editorialist, Italian economic daily ItaliaOggi: *'Fusion power and new generation reactors are a future source of clean energy because they can respond to the higher flux density requirement.'*

The most significant proportion (over a third) of research participants believe that the future lies in alternative renewable energy sources that will allow countries not only to reduce their energy dependence on foreign suppliers, but also to vastly improve environmental safety in the process of energy production.



Kavleen Chatwal, India, senior researcher, Indian Council for Research on International Economic Relations (ICRIER): *'The world is moving towards developing more efficient ways to utilize renewable sources of energy.'*



Vitaliy Shushkovskiy, Ukraine, director of the investment analysis department, Ukrnafta: *'Global instability will lead to a reduction in global trade in general and trade in energy resources in particular. States will strive to be self-sufficient much more than they do today. This will contribute to investment in renewable energy, as resources like shale gas cannot be a long-term solution in many cases. Nuclear and hydrocarbon energy will continue to play a substantial role. However, the significance of renewable sources will rise sharply, to the point where these sources become leading ones in the energy balance.'*



Sergey Veselovskiy, Russia, senior researcher, Institute of Scientific Information for the Social Sciences, Russian Academy of Sciences; chairman of the board and head of the expert analytical centre IRSOT: *'It seems that hydrocarbon energy will still dominate until 2050, but its role will gradually diminish due to the industrial development of new technologies for direct conversion of solar energy.'*

Many experts were confident of progress in this precise area. Therefore, it is not just a matter of the industrial introduction of technologies which are already known, but finding new solutions in the area of alternative energy.

³ <http://eng.postcrisisworld.org/research/podrobnee/006/>

« **Rohit Talwar, UK**, CEO, Fast Future think tank: *‘New sources may emerge from fields such as synthetic biology and nanotechnology.’*

« **Oleg Nemenskiy, Russia**, senior researcher at the Centre for Studies of States in the Near Abroad, Russian Institute of Strategic Studies: *‘The level of modern technology in the area of renewable energy sources already provides a good reason to believe that they will rise rapidly in significance in future.’*

« **Carlos A. Cortes-Gomez, Mexico**, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *‘It does not matter that big oil companies are discovering new oil wells in deep-water oceans every day and developing new technologies to reach them. Alternative and renewable sources of energy are profitable industries, so green technologies will be common in 2050.’*

However, other experts expressed scepticism with regard to renewable sources’ rosy prospects. They referred to their high cost and inability to satisfy the world’s growing demand for power generation, or opposition from the ‘oil lobby’

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *‘The pace at which non-hydrocarbon sources are being introduced, along with their cost and the interests of certain states (Russia and the countries of the Persian Gulf) will prevent the genuine creation of alternative energy on a large scale. This is also linked to a lack of technical progress in the countries which control the sale of hydrocarbons.’*

Finally, some of our respondents insisted on the impossibility of identifying the main component in the world’s energy balance in 40 years’ time. On the one hand, it is inevitable that all types of energy – both old and new – will be present in the medium term, as the need to diversify energy supplies is not going to disappear.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘There will not be a single energy alternative to fossil fuels, but a mixed bag of fuel alternatives, each serving a particular sector of the economy and region of the planet. New technologies might be able to create fusion or antimatter reactors thanks to the particle collider research conducted in Switzerland and around the globe. There will be streamlining of ocean, thermal, and wind turbines for power generation, along with cost-effective solar panels. Moreover, the dangers of nuclear power, which arise from its unstable nature and the radioactive waste it produces, need to be resolved in order to gain public trust. The ultimate key will not be power output, but power input/storage via advances in battery technology and power-storing devices. This continues to hinder the transition from fossil fuels to alternatives.’*

« **Rohit Talwar, UK**, CEO, Fast Future think tank: *‘I think we will have a mix of all of these sources, but supply, security, price and environmental factors will all drive the adoption of alternative sources. Nuclear will be part of the mix and novel.’*

« **Andrey Medushevskiy, Russia**, tenured professor at the National Research University Higher School of Economics: *‘The fossil fuel component will remain in the medium term. There are no grounds to think that one single type of energy will squeeze out all others in the long term. Rather, things are moving towards finding a balance between different types of energy, in order to maximize advantages and neutralize disadvantages.’*

On the other hand, countries may choose various energy strategies depending on their geo-climatic conditions.

« **Vladimir Tyushin, Russia**, social projects expert, RIA Novosti: *‘Energy from hydrocarbons currently (and for the foreseeable future) is the most efficient over the full cycle (except for nuclear energy). This ensures its advantage over other kinds of energy, apart from nuclear, but nuclear programmes face considerable political opposition in the countries capable of implementing them (with a few exceptions). We can expect that energy in 2050 will be “hydrocarbon-nuclear”, with hydrocarbons leading. All other types of energy will be supplementary, but it is possible that some small countries may base their energy sector exclusively on alternative sources – given the right conditions (geothermal energy in Iceland;*

solar energy in the countries of the desert belt – the Sahara, Central Asia; bio-energy in the countries of the jungle belt – Brazil, Indonesia, India).

The different pictures of future energy painted by experts from different groups of countries are very interesting (Diagram 9b).

Although the movement for ‘green energy’ was born and has made most progress in the West, it is the expert community from the developing world which currently has most faith in the prospects of renewable sources.

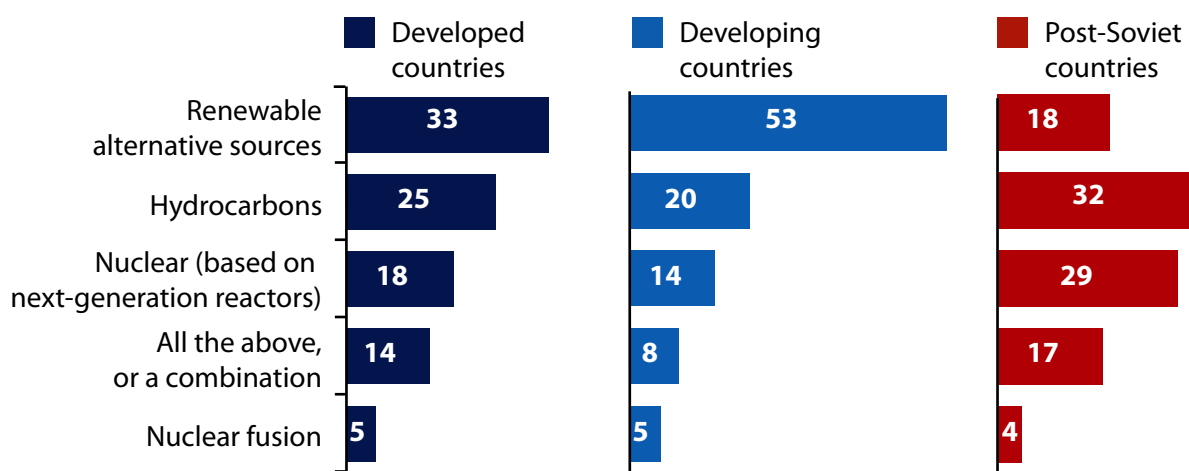
Experts from developed countries display a more pessimistic but entirely rational approach to this issue.

◀ **Wendi Boxx, USA**, instructor, Educational Systems and Achievement, Sociological and Economic Conditions of Education, Technische Universität München: *‘I hope that renewable sources (solar, wind, water) will be prevalent, but somehow I think leading nations will be desperately fighting for the last of the natural resources, mainly oil and gas.’*

Among the experts from post-Soviet countries, most are sceptical about alternative energy. It is quite predictable that they tend to place their bets on hydrocarbons and nuclear energy, or on a mixed ‘fuel package’.

Thus, it is entirely likely that there will be no revolution in energy before 2050, but the world is evolving towards abandoning fossil fuel imports from the countries which produce oil and gas. The abandonment of hydrocarbon imports (even gradual) will mean a fairly major change in the existing world order. If oil-exporting countries fail to consider their post-oil prospects now, then unpleasant surprises may await them in the future.

Diagram 9b. Main source of energy in the world by 2050
percentage by groups



THE ENERGY BALANCE OF THE NEW WORLD

Energy is the main finite resource in the modern world. The current world order, which began to form after World War II, took shape primarily around the control of oil. Rising personal consumption in developed countries and rapidly growing global industry, including the industry of developing countries, were accompanied by an unprecedented increase in the use of energy. Just as wealth in the Middle Ages was associated with gold, the synonym for wealth in the second half of the 20th Century quickly became oil as it replaced coal.

Strictly speaking, there is no such thing as unlimited resources which can be used in the economic process. Even the generation of energy from wind or the sun has its limits within the framework of physical, spatial and time constraints. There are expensive and inexpensive resources. The gradual end of the oil and gas age, as cheaper, more convenient and more environmentally-friendly kinds

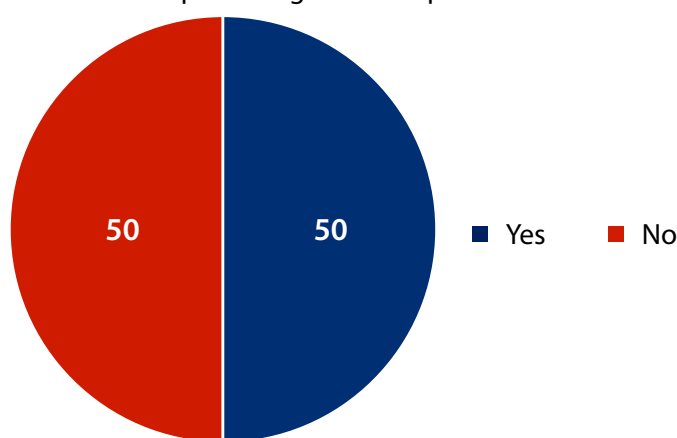
of fuel take over, will mean a transition from using one type of finite resources to other types.

When considering the deficit of natural resources, the international discussion is primarily constructed around diminishing reserves of hydrocarbons. However, it is clear that the issues of insufficient drinking water, food and subsoil mineral resources are just as acute.

The international expert community was sharply polarized by the question **‘Do you believe overcoming the problem of limited natural resources is connected to the establishment of a new world order?’** Diagram 10a shows a precise 50–50 split between the research participants who said ‘yes’ and those who said ‘no’.⁴

The experts who see a link between a new world order and resolving the problem of limited natural resources primarily envisage a change in the balance of power, with economies becoming less dependent on hydrocarbons thanks to the emergence of accessible alternative sources of energy.

Diagram 10a. Is overcoming the problem of limited natural resources connected to the establishment of a new world order?
percentage of all respondents



« **Galina Vasilyeva, Russia**, associate professor in the Department of Ecology, M.K. Ammosov North West Federal University: *‘In my opinion, the finite nature of resources and the search for alternative sources of energy will change the world order in favour of states which do not depend on fossil fuels.’*

« **Vyacheslav Dodonov, Kazakhstan**, senior researcher at the Kazakhstan Institute for Strategic Studies under the President of Kazakhstan: *‘It is thought that the majority of attempts to establish new world orders were linked to the battle for resources and the possibility of trading in them profitably (from spices to the atom). So today’s situation is no exception.’*

« **Pavel Luksha, Russia**, director of corporate education programmes at the Moscow School of Management ‘Skolkovo’: *‘Overcoming the problem of finite resources will set new rules of the game! Another matter is that IF very cheap and locally available sources of energy emerge, that will be a radical change in the rules of the game, in which the role of states will be negligible.’*

At the same time, it was regularly suggested that the new world order should be characterized by a fairer and more orderly system of access to natural resources, which should be initiated and supported with the help of supra-national institutions.

« **Avni Dervishi, Republic of Kosovo**, founder and rector, Academy for European and Global Strategy: *‘We have to try to agree upon a fairer system for sharing our natural resources. Renewable energy, for instance, has to be a part of the national legislation in every country on the planet. I would also like to add that I believe a system of exchanging goods and resources between countries ... will become reality.’*

« **Dr Hafiz Imtiaz Ahmad, Pakistan**, independent researcher and university professor: *‘The new world order should keep in view the overall welfare of the people, without discriminating based on nationality or ethnicity.’*

« **Michael Clements, New Zealand**, economic development specialist and independent consultant: *‘The main feature of the new world order will be the recognition that limited natural resources are / have now become simply too important to entrust to political regimes which are incapable of running their countries efficiently and for the “greater good” of humanity. Global natural resources will be controlled by a Global Welfare Committee, made up of non-politicians, with the best brains in the world.’*

⁴ Closed question. One answer.



Kenneth Mikkelsen, Denmark, founder and CEO, Controversy: *‘More national alliances will be built as a result, influencing decisions being made in international organizations like the UN.’*

The topic of a ‘new and better world’ also arose frequently, in which human vices leading to short-sighted use of the planet’s natural resources should be overcome on a global scale.



Galina Kaninskaya, Russia, professor, Department of Universal History, Yaroslavl Demidov State University: *‘There will be exploration of space and the world’s oceans based on joint efforts and regional projects which extend beyond the border of individual states (for example, the Barents Euro-Arctic Region).’*



Carlos A. Cortes-Gomez, Mexico, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *‘Natural resources maintain the equilibrium of the global climate. Over-exploitation of natural resources is affecting climate change, which affects the reserves of such resources. Moreover, the increasing global population is affecting the availability of natural resources for reasons mentioned in earlier answers. So in order to preserve species, including human beings, the spread of green policies will determine the creation or development of a new world order – a new world order based on environmental awareness.’*



Konstantin Matviyenko, Ukraine, head of Gardarika Strategic Consulting Corp.: *‘Global energy is number 1. A global currency is number 2. A global education, i.e. an educational programme that goes beyond the state framework is number 3. Global control over consumption of natural resources.’*



Leila M. Peralta, Philippines, Adb/Anzdec capacity development specialist, Asian Development Bank: *‘While some conditions have temporarily changed and improved, the overall trend is a general downward spiral for humanity. Unless we do something about discipline, greed and power, our limited natural resources will be wasted. If we overcome this human weakness, we will be able to see a new world with clean air, a clean water supply and a haven for all of us to live in.’*

Meanwhile, some of the experts, on the contrary, predict that conflicts over natural resources will intensify in the new world order and the gap between countries which are ‘prosperous’ and ‘disadvantaged’ in this regard will only grow.



Rahul Singh, India, associate professor, head of international affairs and vice-chairperson, India Centre for Public Policy, Birla Institute of Management Technology: *‘It is emerging slowly, but will eventually be led by states which have either a lot of natural resources or control over such resources.’*



Evgenia Zaiceva, Latvia, chair of the administration board, Latvian Accounting and Economists Corporation: *‘There will be dominance and a prosperous standard of living for a minority, with servile submission of the majority for the right to life.’*



Chris Nancarrow, USA, clerk of the Allen Circuit and Superior Courts, Indiana; chief deputy: *‘The “haves” and “have-nots” in terms of resources will be a major feature of any new world order.’*



A. Huzaim Abdul Hamid, Malaysia, chairman and CEO, Ingenium Advisors: *‘As the current world order shows, the influential countries of the world are the rich ones that have managed their energy needs well. Some strategists even opine that these energy-needing countries are willing to subvert other countries to meet their energy needs (e.g. the USA and the Middle East currently; the UK and Iran/ Saudi Arabia before World War II). It is therefore likely that the new world order will be led by those who meet their energy needs best.’*

In this situation a country will need to manage their natural resources and the resulting income effectively, in order to secure a better ‘place in the sun’ or maintain a leading position. The income should be directed towards industrialization, development of technology and the search for new sources which could facilitate energy independence.



Simon Sundaraj-Keun, Malaysia, freelancer, geo-strategic and cultural consultant: *‘The global arena is dictated by corporations and the countries with the biggest fossil fuel reserves. If a corporation or country, or even an individual, could change the new world order, it would involve a new source of energy independence. The nation which exploits the path of energy independence will be able to take the next leap forward or lead the world into a New Industrial Age.’*

« **José Ernesto Amoros, Chile**, professor, School of Business and Economics, Universidad del Desarrollo: *'We should try to manage natural resources efficiently. Countries which do this (not only the owners of natural resources) will be the leaders.'*

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *'1. Control over energy resources will pass to a number of countries which may not even produce them in sufficient quantities, but will pay for extraction in other countries (China) and urgently need them for further development. 2. China will create a sphere of influence in Central Asia, Africa and South-East Asia. 3. The biggest global Western brands and firms will be recapitalized. 4. Countries which have not been able to convert the income from extracting and selling hydrocarbons into new hi-tech industry (Russia, some CIS states) will gradually become satellite countries.'*

Nonetheless, the other half of the survey participants believes that the establishment of a new world order and overcoming the problem of the deficit of natural resources are two separate and independent processes. They think that mankind will cope with the deficit of natural resources one way or another, whatever world order exists. Moreover, the new global order is unlikely to differ much from the current one.

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub): *'The new world order will not be very different from the old, that is, our own. Both can cope with the problem of natural resources through technological advancements.'*

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine 'Kompaniya': *'I think these processes are independent of each other, because the deficit of natural resources will force humanity to evolve irrespective of the world order. Whether it is a modern system of nation states or something else, decisions will still have to be taken to resolve the problem of the deficit of resources. There is no escape from this. The absence of some kind of global political system will not hinder decisions being taken, simply because mankind wants to survive. And we have enough resources to change our economy. Moreover, the most important changes in the economy, in energy, in production and technology do not occur due to a decision by global political structures, but because new inventions appear, which are then introduced rapidly via networks. Nonetheless, a new world order is coming, irrespective of the problem of the deficit in natural resources. A crisis of nation states and the establishment of some kind of global political system are coming.'*

« **Dr Umut Korkut, UK**, professor, Glasgow School for Business and Society, Glasgow Caledonian University: *'The countries which currently control hydrocarbon resources are tending to develop better technologies to extract more of these resources, rather than investing in new energy resources. I therefore believe the new world order does not depend much on new natural resources.'*

A number of experts voiced doubts about the legitimacy of even posing a question about the 'limited nature' of natural resources. They believe the cost of such resources is the main thing.

« **Gueorgui Nikiforov, Japan**, project manager, Okinawa Institute of Sciences and Technology: *'I don't believe that natural resources are limited. They might be becoming more expensive (e.g. drilling deeper oil wells, digging deeper mines, and so on), but at this point there are plenty of them. The only reason for a deficit is that people always want more than they need.'*

When analyzing the responses of experts by groups of countries, very logical differences emerged, which can be described by the metaphor 'the rich also cry, but a lot less' (Diagram 10b).

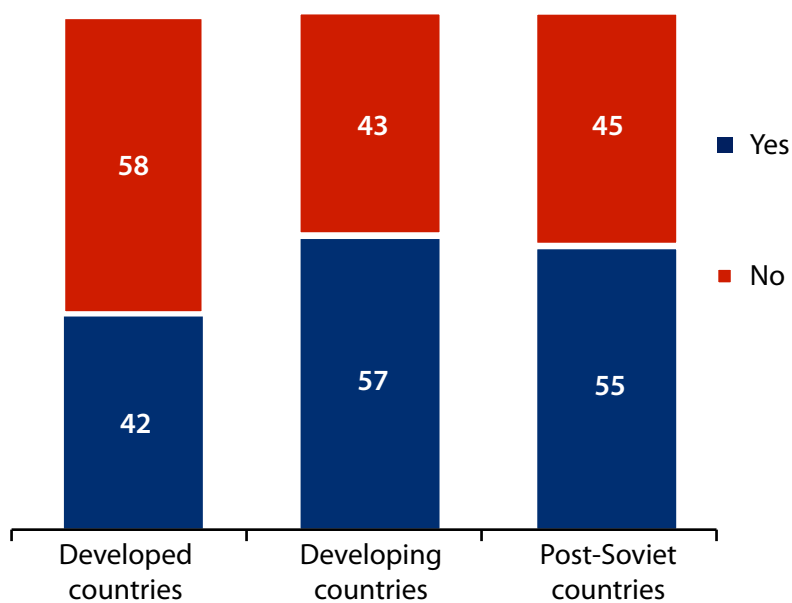
Thus, survey participants from the developed world were much less likely to see a link between overcoming the problem of the deficit of natural resources and the establishment of a new world order. Among experts from the developing world, including the former Soviet Union, the picture was precisely the opposite.

The top 20 countries for oil extraction are as follows: Saudi Arabia, Russia, the USA, Iran, China, Canada, the UAE, Mexico, Kuwait, Iraq, Brazil, Nigeria, Venezuela, the European Union, Norway, Algeria, Angola, Kazakhstan, Qatar, the UK and Azerbaijan.

As we can see, all the main 'clusters' of countries are represented in this list, from the point of view of both development level and regional location.

In the group of today's world leaders – the USA, Canada, the EU, the UK and Norway – dependence on their own extraction of fossil fuels is not fundamental. With the exception of Norway, these countries are the developers of technology which allows civilization to move on from the 'age of oil'. Most of the abovementioned states are already at the post-industrial stage of development. Certain questions may arise in future regarding their leading positions on a global scale, but these countries will not experience major problems linked to a change in the structure of energy balances.

Diagram 10b. Is overcoming the problem of limited natural resources connected to the establishment of a new world order
percentage by groups



The traditional Arab suppliers are fully aware that their oil prosperity is not eternal. One way or another they are trying to diversify their economies and create the necessary infrastructure, with some successes in this regard. The quality and quantity of their human capital remains a problem, along with the high energy consumption of their economies. Given that the transition to the post-oil era will not happen overnight, these countries with their substantial capital have a good chance of adapting. However, they probably should not expect their former abundance with minimal labour costs.

Among the BRICS, Russia is in the least promising position, as it is highly dependent on exporting energy resources. China is in the most advantageous position. Russia does have its own competitive advantages, such as its educated population and basic science inherited from the USSR. However, these advantages still need to be exploited properly.

Among the oil-extracting post-Soviet countries – Azerbaijan and Kazakhstan – the latter's position appears clearly preferable, and not just in this small group. This conclusion is based on the country's extremely favourable geographical location, as well as the government's consistent long-term strategy aimed at diversification, industrialization and improving the population's level of education.

Among the Latin American oil suppliers, Mexico appears to have good chances of succeeding in the transition from a raw materials economy to a diversified one. Mexico has more experience in non-raw-material areas of economic activity, a more attractive investment climate, historic links to the USA and a more relaxed political climate, which is less prone to sharp changes in political direction.

Finally, we believe Angola is in the best position among the African countries thanks to the greater natural diversification of its raw materials sector. Nigeria will only succeed if it fully implements its plans to diversify its economy (previous attempts have failed).

Furthermore, the 'high road' in the choice of a main alternative source of energy is going to be fundamentally important. So far we can only guess what it might be, but geopolitical shifts depend on this choice. If it is nuclear energy, then leading countries headed by the USA and the BRICS will be winners, as they have their own experience of developing this sector. If nuclear fusion or other high-tech options dominate, then the USA, the EU, Russia and perhaps China will hold the advantage. If it is energy based on advanced processing of biomass, then Brazil and Russia, with its vast forestry resources, will be winners, as will countries whose natural resources allow them to grow biomass for fuel. Finally, a transition to getting liquid fuel with the required

parameters from coal will give the advantage to the USA, where huge coal reserves are found, as well as Russia, which has the biggest geological reserves of this fuel.

We shall return in more detail to the issue of future geopolitical orders and the positions of the abovementioned states in Chapter 5. To conclude this chapter, we would like to make the following observation. In any future ‘revolutions’ in the global energy balance, countries in the developing world face one constant and most important imperative: economic diversification is a vital condition for survival and prosperity in a changing world, while the development of alternative energy is undisputed as a resource and competitive advantage in any possible landscape. Today, this appears doubly important for countries which have their own reserves of fossil fuels.



CHAPTER 5
GEOPOLITICAL SHIFTS 2050

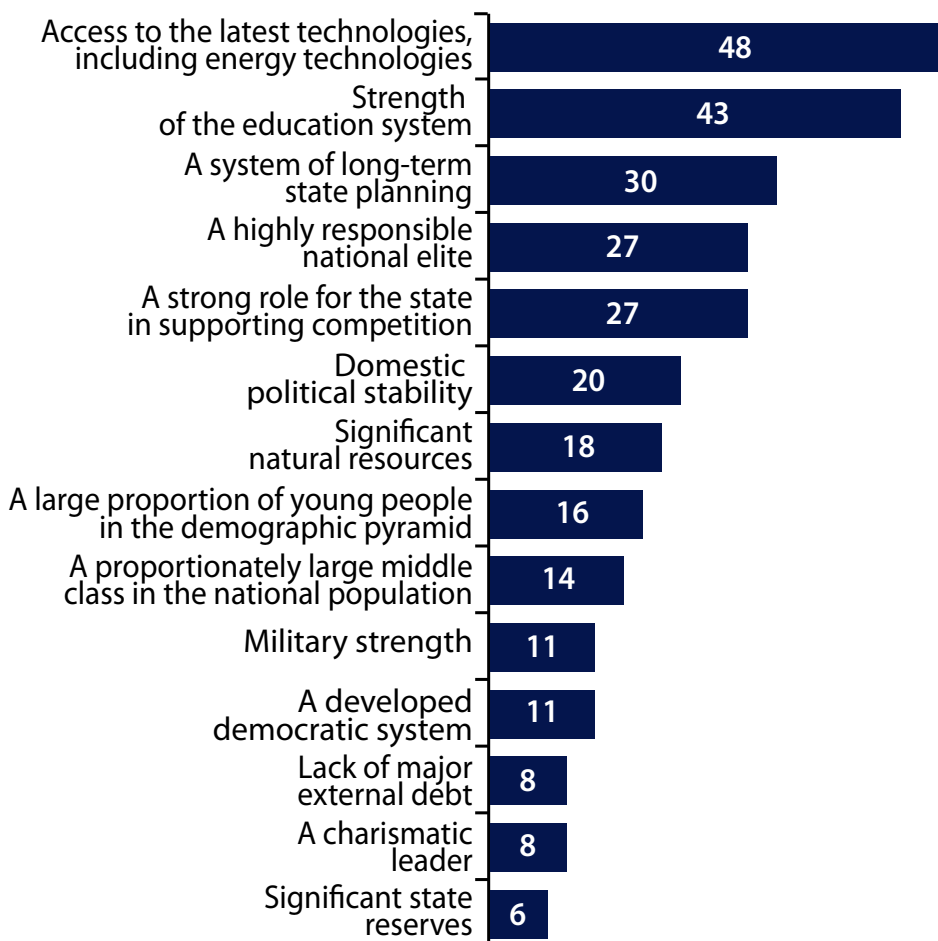
FORMULA FOR SUCCESS

Any sufficiently advanced technology is indistinguishable from magic.
Arthur C. Clarke, British writer and inventor

Education is a better safeguard of liberty than a standing army.
E. Everett, American politician

Industry has been the foundation of a nation's global leadership since the 18th Century. Industrial development – not fertile soil, an advantageous geographical location, large population or other factors – has been the primary determinant of the wealth of peoples. Countries with developed industrial production formed a club of 'developed countries'. Industrial development meant both military power and the grounds to claim geopolitical leadership. Disputes between various centres of power were decided in the traditional manner – in combat. This state of affairs lasted until World War II and only changed significantly with the invention of nuclear weapons, which became a 'means of restraint' against military escalation: after all, there can be no victors in a nuclear war. Military power still plays a significant role, but only as a means of securing priority access to raw materials. At the same time, it not access to raw materials but the quality of their processing which now determines

**Diagram 11a. Competitive advantages of states
in the period of transition 2013–20500**
percentage of all respondents



nations' competitiveness and whether they lead or lag behind. The quality of processing raw materials is determined now, as in the past, by the technological level of production, which directly depends on scientific development.

Moreover, another important shift has taken place: the most developed countries have moved to the post-industrial stage of development. Many of them have transferred their own industrial production beyond their national borders. Of course, the established world order is a guarantee against the loss of property abroad, as is the military power of individual countries and alliances in the last instance.

By the start of the 21st Century the club of developed countries had undergone major changes: Japan, South Korea, Singapore and

other 'Asian tigers' had joined it with remarkable speed (from the point of view of the historical process and the conservatism of this circle). Turkey, India, Brazil, Mexico, China and South Africa had staked serious claims to leading positions in global competitiveness.

Although each of the abovementioned countries has its own particular development path, one can see that they share common features to a greater or lesser extent: an emphasis on exporting hi-tech production, which implies a focus on renewing and introducing advanced technologies in the national economy, as well as development of the science and education system.

Will this 'success formula' endure in a rapidly changing world? Diagram 11a¹ shows the impressions of our survey participants regarding the competitive advantages of states which will be decisive in the period of transition from 2013 to 2050 in the context of intensifying international competition. As we can see, access to the latest technology and the strength of the education system remain the undisputed leaders in the list of factors which determine a nation's competitiveness.

« **Vassilios Damiras, USA**, CEO, Geostrategic Forecasting Corporation (GSFC): *'Knowledge of technology and balanced budgets will play a central role in a regime's strength.'*

« **Rohit Talwar, UK**, CEO, Fast Future think tank: *'Lifelong education, wellness, infrastructure, sustainable energy and environment, a thriving S&T sector, strong social engagement, collaborative planning, a progressive immigration policy, effective global linkages and a strong presence in global markets will all be critical enablers.'*

« **Ahmed El-Shaffee, Egypt**, business consultant: *'States which promote scientific research and produce technology will be successful.'*

« **Aleksander Apokin, Russia**, senior expert, Centre for Macroeconomic Analysis and Short-Term Forecasting: *'The set of advantages is largely determined by the "league" in which the state is competing. Opportunities to fight for the location of production in a possible "wave of reindustrialization" will be determined by the ratio of "price to quality" where labour, "regulatory" and raw material resources are concerned. Leadership in the new technological breakthrough (if it occurs) will belong to countries that have a well-developed culture of competition and conducting business, with a well-trained workforce (irrespective of cost). At the same time, a country must have access to modern technologies in order to take a step forward (even if they are not in place everywhere).'*

It must be noted here that access to advanced technologies comes from various places. Technologies can be produced independently, or they can be acquired via investment when companies from developed countries or transnational companies open branches. The difference here is a difference in the systemic risks of the national economy: it is one thing to develop based on one's own applied science; it is another thing to be an 'assembly workshop' for a foreign state or transnational corporation. There is another more profound difference: applied science is a consumer of the produce of fundamental science, the achievements of which are open to all, yet are primarily utilized in countries with developed fundamental science, as experience shows.

Nevertheless, the formula of competitiveness 'technology plus knowledge' is certainly not losing its relevance, which incidentally was entirely to be expected. In our view, the most interesting factors are those which our survey respondents consider responsible for a nation's path towards this 'success formula', facilitating a rise in a state's competitiveness. In the opinion of the global expert community, the main ones are 'a system of long-term state planning and forecasting', 'a highly responsible national elite' and 'a strong role for the state in supporting competition'.

Almost a third of the experts noted that long-term state planning was necessary to acquire or reinforce a worthy place in the global technological process.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *'A country with a long-term plan can navigate the upheavals of the next couple of decades. It is also necessary to be debt-free. Stable domestic politics are essential and a prerequisite for success.'*

« **Sergey Boyarkin, Russia**, adviser to the acting vice-president of 'Rusatom-Overseas': *'The ability of a country's leader and his team to intelligently and strategically plan development, as well as adherence to that plan, can unite society even in conditions of a "mobilized economy".'*

« **Dmitriy Belousov, Russia**, discipline head at the Centre for Macroeconomic Analysis and Short-Term Forecasting: *'The key resources in the new situation will be: a) management potential (the quality of the elite, the existence of consensus within it, the existence of long-term planning and goal-setting) and b) a place in the global technological process, within which the current leading countries are trying and will keep trying to maintain their leadership.'*

¹ Closed question. Multiple choice.

Over a quarter of the experts we surveyed drew attention to the key role of national elites. Many research participants believe that it is the elites' degree of responsibility which determines a country's place in the international arena. It should be noted here that the factor of a highly responsible national elite correlates directly with the factor of education: first, the educated class is the pool from which the national elite is recruited and second, a high level of education among the national staff sets high standards for the way they are managed by the elite.

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub): *'An educated elite is crucial to guide resources for the construction of a national system of education (at all levels), characterized by excellence, performance, meritocracy and material rewards.'*

« **Pavel Luksha, Russia**, director of corporate education programmes at the Moscow School of Management 'Skolkovo': *'The collective and the networked are replacing the individual, while technological efficiency is proving more important than the allocation of resources (whether natural resources, human resources or charismatic leaders). In any case, a highly responsible elite is the most important thing.'*

« **Galina Kaninskaya, Russia**, professor, Department of Universal History, Yaroslavl Demidov State University: *'Of course, national elites must be highly responsible and patriotic in order to ensure a worthy place in the international arena for their country. There are examples of countries (Japan) which do not have a wealth of natural resources or military power, but this has not stopped them successfully competing in the international arena.'*

Around a quarter of respondents also noted that achieving a technological breakthrough and developing human capital are impossible if the state does not play a strong role. The state should support competition, including the competition of big business; help to create infrastructure for successful business; invest in developing the country's education system; and so on.

« **Carlos A. Cortes-Gomez, Mexico**, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *'The factors are interconnected. As mentioned above, traditional sources of energy are becoming scarce, so new technologies and energy technologies will be among the key factors for competitiveness in the coming years. Usually, the countries which develop new technologies are dominant. In the current world, where liberalization is promoted, leading economies (developed and developing countries) are maintaining or adopting a nationalist economic position in strategic sectors. So the role of states in supporting competition and making national firms or businesses competitive internationally will be a common factor. That includes support for developing new technologies in all possible areas. Linked to the previous factor is the development of human capital, so strengthening the education system is part of a national strategy to promote international competition and competitiveness, boosting R&D in new technologies.'*

'Domestic political stability' and 'significant natural resources' were among a number of less important but still significant factors (mentioned by a fifth of the survey respondents) which will facilitate an increase in a state's competitiveness in the coming decades.

Some in the expert community believe that any forward movement, along with subsequent economic growth and greater national competitiveness, is impossible without domestic stability and consolidation of the nation.

« **Andrey Medushevskiy, Russia**, tenured professor at the National Research University Higher School of Economics: *'Among the factors which facilitate economic growth, one should first of all mention stability (as a general foundation for forward movement), the effectiveness of education (as a foundation for the ability to understand and implement new technologies and ensure social mobility) and the moral standards of the elite, who should be aware of their responsibility to society (this essentially includes perceptions of the elite's legitimacy as an expression of the principles of meritocracy). Of course, all the other parameters are important, but they are variable. Some of them arise in the process of positive social reforms; they are not necessarily present at the initial stage (democracy, a middle class and access to technologies).'*

« **Oleg Nemenskiy, Russia**, senior researcher at the Centre for Studies of States in the Near Abroad, Russian Institute of Strategic Studies: *'Internal solidity, cultural unification and identity consolidation among citizens are becoming the dearest political resource in the modern world. Sometimes they allow even weak and small states to be victorious in clashes with political giants. If this is supplemented with the ability to apply the latest technologies, then we are talking about a strong and effective society.'*

« **Michael Clements, New Zealand**, economic development specialist and independent consultant: *'Any perceived national competitive or comparative advantage will only eventuate if the country functions with – and the inhabitants habitually practise – an unwavering respect for the rule of law, national, community and personal discipline at all levels, based on truth, justice, peace and an abhorrence of greed.'*

Many survey participants believe that a state's own natural resources (just like easier access to 'foreign' resources) will remain an important advantage in the competitive struggle for a long time.

« **Chris Nancarrow, USA**, clerk of the Allen Circuit and Superior Courts, Indiana; chief deputy: *'The nations which produce actual "value-added" products and control natural resources will be the nations which create "real wealth" and therefore strengthen their competitive advantage.'*

It is notable that a number of factors which seem important at first glance are going to be weak competitive 'aces' in the period of transition from 2013 to 2050, according to the expert community. For example, only around 10 per cent of survey participants mentioned the importance of the level of democratic development and a country's military power.

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *'The fundamental and decisive competitive advantage is, was and always will be human capital. It is created by the education system and to realise its potential it needs a democratic political system. High quality human capital will ensure access to the newest technologies, domestic political stability, the absence of conflicts between faiths and a highly responsible national elite; it will promote outstanding political leaders.'*

« **Dr James Gilbert, USA**, head of Geo Future Consulting, Texas State University; visiting professor of Geopolitics: *'At the current moment, military strength is becoming more and more the key factor in geopolitics.'*

Significant state reserves, a charismatic leader and the absence of major foreign debts got even fewer votes. Moreover, many experts raised doubts about the importance of these factors in the medium and long term. They justifiably expect revolutionary changes in the system of coordinates and trends which currently characterize the world.

« **Vladimir Sotnikov, Russia**, candidate of historical science, senior researcher, Institute of World Economy and International Relations, Russian Academy of Sciences: *'The level of development of the democratic system and its role in this regard are problematic – the question is which kind of democracy (Islamic, Western, post-Soviet etc.) will best ensure these processes... I believe a revolutionary transition will take place in the period 2013–2050 from one set of determining factors to another set, which will be most effective at securing the move towards the indicated processes.'*

« **Miguel Delcour, Netherlands**, CEO, Firm in Enterprise: *'The middle class will not be a problem as people travel (brain-gain/brain-drain). Democracy is a farce in this context. Long-term state planning becomes impossible due to the turbulence of pace... Young people travel and military power becomes obsolete.'*

When differences between the responses of experts from the various groups of countries are analyzed, a typical picture emerges (Diagram 11b). We can see that each 'world' of experts believes in a different implementation path for the general success formula 'technology plus knowledge'.

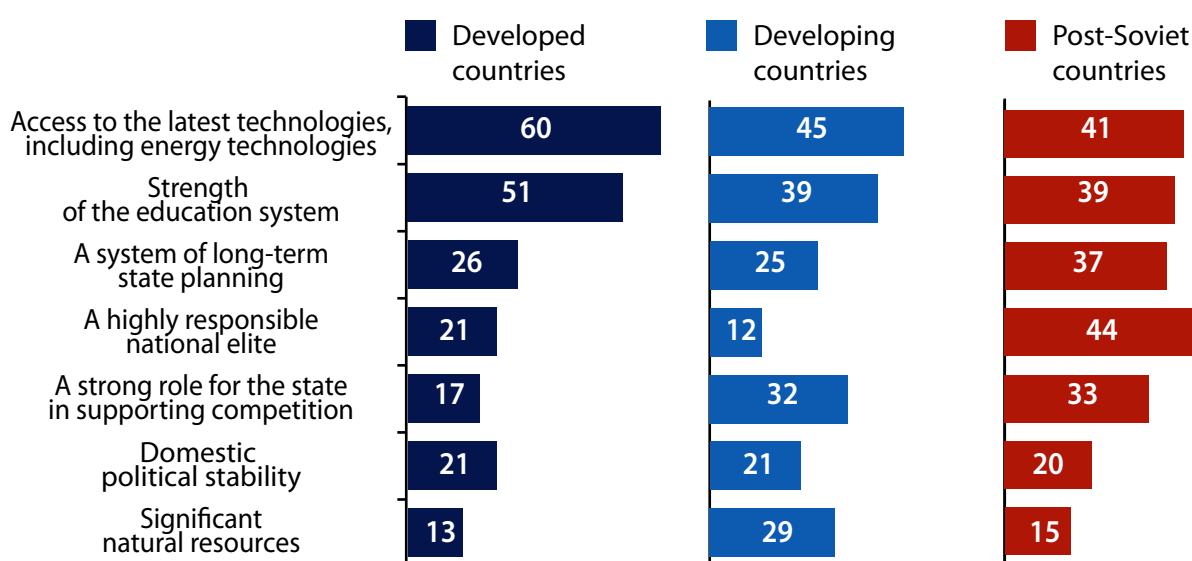
Thus, for instance, the developing world (including the post-Soviet space) insists on the state playing a strong role to support competition. It is assumed a priori that the state should create conditions to improve the competitiveness of national business in the global arena.

« **Kavleen Chatwal, India**, senior researcher, Indian Council for Research on International Economic Relations (ICRIER): *'In this period, a system of long-term state planning and forecasting will be important. A strong state role in organizing and supporting competition – including the competitiveness of major business – and in creating infrastructure will also be decisive in intensifying competition'*

among nations. Infrastructure plays a very important role in strengthening the state of the economy. A strong role played by the state also helps.'

For the experts from developed countries, this factor is not among the main priorities. On the one hand, this may be linked to the fact that the old industrialized countries have been managing to support the rules of the game quite well for a long time, without intervening in the game itself. On the other hand, it may show that global competition is beginning to definitively prevail over sovereign interests in the First World. In our view, this circumstance could lead to a serious crisis. The fact that 'domestic political stability' is only (!) in the top list of competitive advantages among the experts from developed countries can be seen as a projection of such a crisis. This result seems rather paradoxical. After all, the possibility of domestic political turbulence has mainly been a worry for countries in the Second and Third Worlds until now.

Diagram 11b. Competitive advantages of states in the period of transition 2013–2050
percentage by groups



Another difference, which incidentally is quite predictable, is the much greater significance given to a country's natural and raw materials resources by experts from developing countries. Natural wealth is supposed to act as a kind of 'start-up capital' for the development of hi-tech sectors of the economy and the expansion of knowledge in all areas.

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *'Given the problem of overpopulation, I insist that a responsible policy for managing natural resources is the key to the future.'*

Representatives from all countries named long-term state planning among the main priorities. However, the planning should be done in line with the particularities and specific objectives of each country. This fact was considered most important by the experts from post-Soviet countries. It seems that one of our 'generic problems' is influential here: the young states born from the Soviet republics did not initially possess the capacity for strategic planning or national policy, as these functions used to be carried out by the political centre which disappeared along with the USSR. Most states in the post-Soviet space still have not acquired these capacities, with a few rare exceptions. Thus, Belarus has an economy which could be described as a planned one, while Kazakhstan is the only post-Soviet state which has a planning horizon up to 2050.

The most striking variation in the opinions of the expert community concerned the responsibility of the national elite. For experts from developed countries, this factor is in the top five. For survey participants from the newly industrialized countries, it is of little importance (around 10 per cent). Yet for representatives of the post-Soviet states it is the number one and most important priority.

In an age of changes, the fate of states depends to a large extent on the positioning of the ruling elite. The whirlwind of shocks in the Arab world in 2011–2012 was largely prompted by a ‘crisis of elites’, which were accused of corruption and ‘detachment’ from the people. Today, democratic European countries are also gripped by the crisis of elites, as liberal traditions are clashing with the effectiveness of state policy. Post-Soviet countries are affected too: here, the population’s dissatisfaction with the quality of their elites is particularly high. We believe this explains the high significance ascribed to this factor. In post-Soviet countries, elites tend to be seen as closed clan-like groups (recruiting members based on non-transparent principles), which have monopoly control over power and property. The lack of a clear mechanism to replace and rotate national elites carries a risk of state ineffectiveness in periods when systemic changes are required. It creates enormous political risks in an era of global changes.

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *‘Of course, the most important thing is access to energy resources and the latest technologies, which allow resources to be developed without damaging the country’s environment. The second factor is the ability to manage the money earned from producing and/or selling energy resources, along with the ability to organize the scientific and technical aspect of the country’s development. The leader and the national elite are important here. Democratic and other institutions can only create a certain climate, without influencing a country’s progress itself.’*

Furthermore, a generation of 20-somethings in the post-Soviet countries has now entered its active age and is forming its views. This generation was born and raised in the post-Soviet period and its views, convictions and preferences have been shaped in a very different era to that of their parents.

The demands of time and increasing pressure from society are clashing with the elite’s attempts to maintain the status quo and keep control over the situation. The current ‘nationalization of elites’ in Russia, where they have been asked to stop ‘sitting on the fence’, should be seen in this light, for example.

STATE AND RELIGION

In turbulence people may increasingly turn to religion. We need models that blend the secular, religious and spiritual to create an environment that underpins and enhances society during a period of major transition.

Rohit Talwar, UK, CEO, Fast Future think tank

The spread of religious consciousness is strengthening throughout the world in the 21st Century. Times of change, uncertainty about the future and mass phobias are giving rise to demand for a religious and mythical vision of the world. The current ‘market’ of religious ideas is expanding – ‘demand drives supply’. In this market, views of a totalitarian and extremist nature (Islamist, among others) are traded aggressively. This is clearly seen as a threat by secular states.

On the other hand, the theory of Ronald Inglehart suggests that over the past half century the world as a whole has become more religious than before², because there is a trend for populations to grow in highly religious regions, while the opposite trend is observed in secular regions. This state of affairs is leading to an increasing ‘cultural rift’ between secular and religious societies. Meanwhile, the influence of secular values is more and more often seen as a threat by the religious regions of the world, provoking resistance in response.

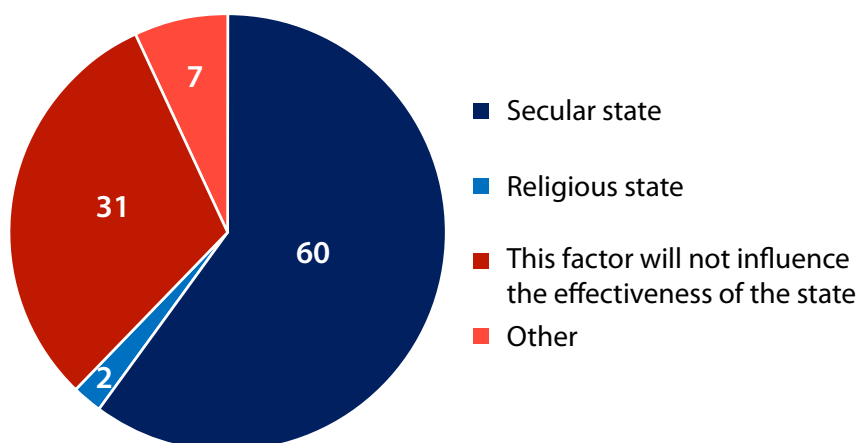
We could not ignore this topic in our study of the intellectual elite’s expectations regarding coming geopolitical shifts. We asked the experts the following question: ‘What kind of state do you believe will be most effective in the transition period 2013–2050?’³ (Diagram 12).

Only a tiny handful of experts (2 per cent) thought that religious states would turn out to be more effective. The majority of survey respondents (60 per cent) made an unambiguous choice in favour of secular states.

² Inglehart, Ronald & Welzel, Christian. *Modernization, Cultural Change and Democracy: The Human Development Sequence*. Cambridge University Press, 2005.

³ Closed question. One answer.

Diagram 12. Most effective type of state in the period of transition 2013–2050
percentage of all respondents



The main arguments in support of this view were linked to the fact that a secular state has within itself far fewer limits on development than a religious regime. This is particularly important in an age of global change, when effective management decisions, fast reactions and flexible adaptability to changes in the outside world are especially in demand.

« **Igor Frolov, Russia**, doctor of economics and head of laboratory at the Institute of Economic

Forecasting (IEF), Russian Academy of Sciences: *‘Religious states were effective when religion was a cultural-economic path, rather than the form of public consciousness that it is today. In the modern age, religious consciousness is hampering development. An example is China, which had to go through a torturous stage (the 1950s to 1970s) of de-sanctifying economic relations, after which its rapid economic growth became possible.’*

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘A secular state must be governed by the rule of law and obey the demands of the electorate expressed via elections, not unseen figures within a religious institution or an extreme ideology. The idea of separating religious institutions and public institutions is essential for running or governing a country.’*

« **Vadim Gasanov, Russia**, film-maker, advisor of TV-channel “Russia-2”: *‘Religious states cannot be effective by definition, as they simply cannot bring the main religious doctrines into line with new challenges and global problems appropriately and quickly.’*

Secondly, a secular state a priori offers significantly more opportunities for its citizens’ individual potential to be realized. This is directly linked to a most important competitive advantage – the development level of education and science in the country.

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘A religious state has always had a negative influence, not only on the economy but also on education and science. The separation between State and Church is a democratic achievement which should be defended against any type of change.’*

« **Sergey Rasov, Kazakhstan**, political columnist at Politcom.ru: *‘There is more freedom in secular states, so there are more opportunities for people to fulfil their potential as individuals.’*

« **Dennis Anderson, USA**, professor and chairman of Management and IT, St Francis College: *‘Religious or dictatorial regimes will not progress, as they are built on an outmoded model.’*

« **Maksim Leguyenko, Russia**, first deputy editor-in-chief of the website Utro.ru, RBK: *‘It looks like the number of religious states is going to grow in the coming years. However, they will not be effective, because religion raised to the state level becomes a hindrance for the development of science and social relations due to its particularities. The bearers of advanced ideas will simply look for ways to leave such countries and move to secular states.’*

The view was expressed that even clerical states, where the church has an official state role and is an influential political force, will turn out to be less effective in the transition period. The same applies to states where religion is officially separate from the state but exerts a strong influence on national culture and traditions.

« **David Bent, UK**, deputy director for sustainable business, Forum for the Future: *‘It depends on the nature of the religion in the state (for instance, the UK has the Church of England as part of the constitution but has little observance, while the USA has no role for religion in the constitution but has large pockets of deep observance). Generally, I would say a national culture that is very religious*

(whether formally embedded in institutions or informally embedded into cultural routines) finds it harder to deal with novelty and so will find it harder to be effective in transition.'

Finally, an important argument in favour of secularity is the multi-ethnic and multicultural nature of most countries, which also suggests the advantage of a multi-faith state establishment over a theocracy.

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *'The principle of separating church from state has proven its historical advantage over a clerical state. A secular state that is equidistant from all religions is inevitable in multi-faith countries. Otherwise, acute conflicts are bound to happen and destabilize the state. Religion's sphere of influence should remain the internal world of the individual.'*

Although there were very few open supporters of theocracy among the participants in our research, nonetheless around one third of the experts believe that the stance of the official authorities towards religion will not affect the state's effectiveness in the transition period 2013–2050.

« **Tiago A. Ferreira Lopes, Portugal**, founding researcher and administrator, State Building and Fragility Monitor: *'A state's effectiveness does not depend on its secular or religious nature, but on other contextual, structural and historical features.'*

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine 'Kompaniya': *'The flexibility of the political structure, able to react quickly to new challenges, is a more important factor than secularity or religiosity.'*

« **Susanne J. Brezina, Austria**, consultant: *'The essential factor will be good governance, no matter whether the state is religious or secular.'*

« **Chris Nancarrow, USA**, clerk of the Allen Circuit and Superior Courts, Indiana; chief deputy: *'A fiscally responsible state will be most effective in the transition period, regardless of its religious undertone.'*

Moreover, a number of participants in our research said it was quite possible that religious moods could be used by secular authorities to achieve various goals that require national mobilization.

« **Yelena Mishon, Russia**, professor in the Department of the Regional Economy and Territorial Management, Voronezh State University: *'The secular type may be effective, but a religious state may get results. This is explained by the fact that a religious society is highly focused on results, irrespective of cost, including human lives.'*

« **Dmitriy Yevstafiyev, Russia**, professor in the Department of Applied Political Science, National Research University Higher School of Economics: *'I do not rule out the possibility that pseudotheocracies might appear in a number of states, but they will be "pseudo", i.e. the authorities will call on religious and spiritual values to meet classic objectives of government.'*

« **Vladimir Leonovich, Russia**, chief engineer at the Sedakov Scientific Research Institute of Measurement Systems: *'If there are environmental problems in the coming years and the sacrifice of personal prosperity is required to overcome them, a religious state will be easier to govern and therefore more effective.'*

Indeed, if one stops looking at religion as a principle for state-building, religious consciousness cannot be discounted. It is sufficient to recall that the USA, today's world leader, began as a state of religious outcasts and fanatics. Even today the USA stands out among developed countries for its level of religiosity. We should also note the important role which religion has played in the recent history of Spain, Poland and Turkey – countries which generate high hopes today. Religion has repeatedly been seen as an instrument of government in the positivist tradition.

Our survey participants also noted the important role of religion as a regulator of social relations.

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *'Religious states or the active involvement of religious institutions in state policy are one of the strongest and most dangerous hindrances to progress in a country and the world. Yet this does not exclude the role of religious institutions at the level of social regulators.'*

« **Vasily Mochar, Russia**, deputy director of the analytical company ITRResearch: *'The period of denying religion should be replaced by the system's reaction to strengthening religiosity. Religion is a powerful factor in stabilizing society.'*

Many experts expect a rise in religiosity in the near future. This is a logical result of the transitional periods of history. Consequently, a question arises about the search for fundamentally new kinds of religion or other foundations for spiritual identification and unity among people, which could prevent the limits on social development which are linked to traditional faiths.

« **Pavel Luksha, Russia**, director of corporate education programmes at the Moscow School of Management 'Skolkovo': *'Humanity needs religion, given its special role. Yet the religious tradition which formed in agrarian societies two or three millennia ago is now increasingly blocking the ability to understand the new or change in accordance with the challenges of the new. States where new foundations for spirituality develop are likely to be most effective.'*

« **Vitaliy Shushkovskiy, Ukraine**, director of the department of investment analysis, Ukrnafta: *'Existing world religions are unlikely to serve as the foundation for an effective society, but this does not mean that the religious/ideological component will play no role in future. New religions and ideologies will emerge, which will be a force unifying societies trying to survive in new conditions, far less favourable than in previous decades. Neither "liberal values" nor the major religions like Islam, Christianity even less so, will be able to play this role. The time allocated to them by history is passing.'*

It is informative that studying the experts' responses divided into groups of countries did not reveal any fundamental differences. The intellectual elite of developing countries, which include many Muslim states and states where Catholic influence is strong, insist on the need for secular foundations of power to an even greater extent than their colleagues from the liberal world.

The secular state in its current form emerged in response to the demands of the times: the religious preponderance and wars which had tormented Europe for centuries became too destructive, while industrial development and related scientific progress were held back by the dictatorship of the church. The separation of church from state was not aimed at suppressing the religious consciousness of the population. Its main objective was to prevent religion from dominating public institutions. Moreover, it was the secular state which made possible a multi-faith society, where the values and worldview of one religious group cannot be imposed on another.

However, many Muslim countries view secularization as an instrument for destroying religious inheritance and rejecting the role of moral values in public life. They include quite a few rapidly developing states, which in time may become new centres of industrial power and major players in the global division of labour. Intensifying economic competition together with heightened religious confrontation means a threat of war, as history has demonstrated. In today's world such a war would be global.

Today, therefore, both the complete rejection of spiritual regulations in the life of society and the replacement of religious identity with faith diktat would appear to lead to deadlock. In other words, any kind of dogmatism, whether religious or secular, cannot respond adequately to the challenges of the age.

THE BETS HAVE BEEN PLACED!

The chessboard has tilted and the pieces have slipped to other squares.

Paul Goble, expert on post-Soviet countries⁴

One of the most famous political scientists of the post-modern 'wave', Samuel Huntington, identified eight modern civilizations in the world of the 1990s: Western, Islamic, Hindu, Sinic (Chinese), Japanese, Latin American, Orthodox and African⁵. Huntington argued that a clash was inevitable and that the fault lines between civilizations would turn into front lines. The main conflict will break out between the West – so far the only civilization that has managed to secure global supremacy – and non-Western civilizations.

The 20th Century saw the end of the British Empire, which had led the Western world for over 200 years. It was replaced by the USA. The leader of the civilization had changed but not its role in the world:

⁴ Leading expert at the STRATFOR analytical centre.

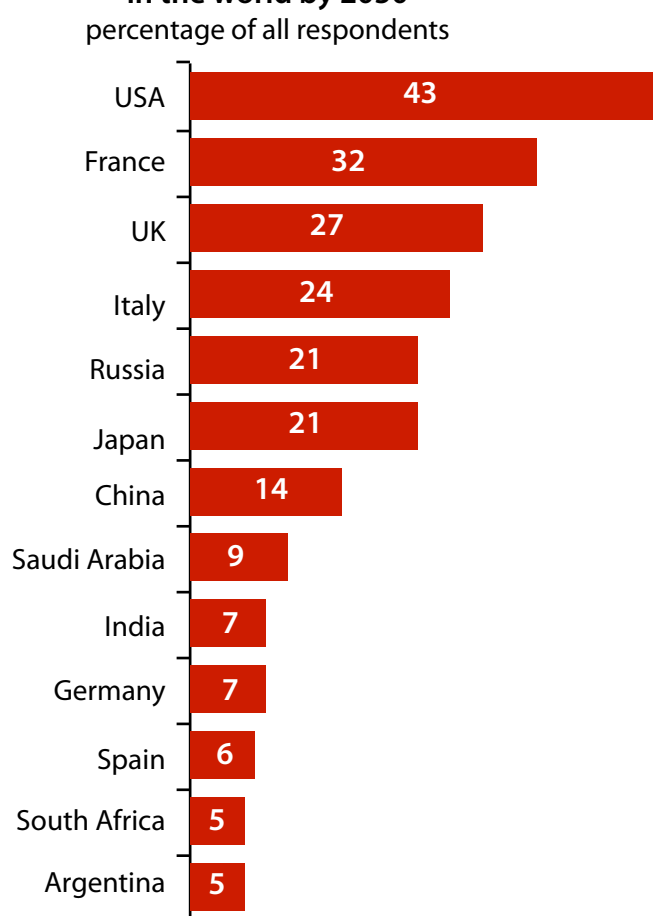
⁵ Huntington, S. *The Clash of Civilizations and the Remaking of the World Order*, 1996.

Western civilization continued to dominate. Developing countries from other civilizations were keen to borrow from the West not only technology, principles of state order and management systems, but also cultural and behavioural stereotypes.

The question of the possible demise of the West in the near future has been raised repeatedly in the course of the past 100 years. Various authors have suggested that the ‘beginning of the end’ can be seen in the general aging of Western civilization, the exhaustion of its human resources, the decline in its former morals, indifference towards traditional religion (Christianity), the increase in the proportion of immigrants with a foreign mentality and culture, and so on. Nevertheless, in reality no other civilization has so far been able to offer serious competition to the West in the area of geopolitical supremacy.

We cannot rule out the most improbable scenarios in future. However, in the period up to 2050 a change in the leading civilization is unlikely. On the other hand, scenarios of non-revolutionary changes in the existing balance of power seem entirely likely: certain countries will leap ahead in particular regions, while others will lose their former influence and competitiveness. Some old alliances might disintegrate and new ones might arise; regional leaders may change.

Diagram 13. Countries likely to lose influence in the world by 2050



At one time, the appearance of the ‘Asian tigers’ on the international scene and world markets caused a sensation. History likes to repeat itself: once, at the end of the 15th Century, Europe suddenly, also with surprise, discovered a powerful centralized state on its eastern borders. The world is inclined to be surprised, but the most far-sighted observers (amongst whom we count our experts) foresee events in advance.

Diagram 13 presents the expectations of our survey participants regarding **states which currently have major influence in the world (for example, are G20 members) but will suffer a significant loss of influence in the period up to 2050.**⁶

As we can see, the leading ‘candidate for departure’ by a considerable margin is the USA, followed by France, then the UK, Italy, Russia and Japan. China also got almost 15 per cent of votes.

It is not without interest to compare this list to one presented in the report ‘The World in 2050’, compiled by experts from HSBC bank.⁷ The bank analysts believe that the following countries will have annual GDP growth under

3 per cent: the USA, Japan, Germany, the UK, France, Canada, Italy, South Korea, Spain, Australia, the Netherlands, Poland, Switzerland, South Africa, Austria, Sweden, Belgium, Singapore, Greece, Israel, Ireland, the UAE, Norway, Portugal, Finland, Denmark, Cuba, Qatar, Uruguay, Luxembourg and Slovenia.

The countries which appear in both lists are the USA, France, the UK, Italy, Japan, Germany and Spain. It is typical that all these countries currently belong to the most influential G7, apart from Spain.

Let us return to our research. The possible reasons why various countries might lose their position can be grouped around the following main points. With regard to the old industrialized countries, the experts often mentioned attachment to outdated models and concepts, a loss of flexibility and unpreparedness for the changed global conditions due to being accustomed to a privileged position.

⁶ Open question. Multiple choice.

⁷ Published in January 2012.

« **Sergey Rasov, Kazakhstan**, political columnist at Politcom.ru: *‘The USA and Germany will lose out significantly because they have got used to dominating. The winners will be countries which know how to reach agreement and opt for equal alliances and coalitions with substantially weaker partners.’*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘The USA and the UK will lose out because the centre of power will move from finance to new sciences and new technologies; also because they are too heavily based on outdated geopolitical concepts and visions.’*

« **Andrij Halushka, UK**, senior analyst at the Credit Agricole Corporate and Investment Bank: *‘The European Union is highly likely to lose out (if it fails to get rid of its outdated socio-economic model – but that requires a breakthrough in the minds of people in European countries, who have become used to a peaceful life in the past decades). Russia and the OPEC countries may lose out if shale gas really does make hydrocarbons widely accessible to current consuming countries.’*

The crisis in the existing financial architecture may also contribute to reducing the influence of today’s recognized leaders of the Western world.

« **Vyacheslav Dodonov, Kazakhstan**, senior researcher at the Kazakhstan Institute for Strategic Studies under the President of Kazakhstan: *‘The loss of those countries will be linked to the fall of the existing financial architecture during the period under study. This architecture was built on global reserve currencies issued by the USA, the EU, the UK, Japan and Switzerland. Considering the prospect of sovereign defaults in the majority of these countries in the not-too-distant future, the additional economic opportunities which these countries currently have as issuers of reserve currencies will vanish. This will create a multitude of very serious economic (and consequently political) problems, which will lead to a substantial decline in their role during the period under study.’*

Another group of factors that may cause both developed and young industrialized countries to lose their positions is linked to the accumulation of unresolved internal problems in these states. Every country clearly has its own ‘Achilles heel’: corruption, internal conflicts, a weak level of development in science and education, lack of various resources and so on.

« **Susanne J. Brezina, Austria**, consultant: *‘The USA will lose out because it really does have a lot of unresolved internal social problems which will influence the country’s long-term stability (poverty, proliferation of guns, lack of education, poorly integrated immigrants). Meanwhile, its foreign policy is awful (for example, Afghanistan and Iraq). Some European countries may also lose out, especially France (for the same reasons mentioned above). China may face growing domestic tensions due to environmental and resource challenges. It may therefore be forced to reduce its foreign activity.’*

« **Andrey Cherepanov, Russia**, director of the National Development Project: *‘France will probably get dragged into internal ethnic conflicts; continued degradation is likely in Russia’s economy, science, education and human potential as a whole due to the thieving authoritarian regime of the authorities.’*

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *‘China could face serious socio-political problems, despite its current economic success. China could face political turmoil. Its citizens could demand more democratic reforms.’*

« **Wendi Boxx, USA**, instructor, Educational Systems and Achievement; Sociological and Economic Conditions of Education, Technische Universität München: *‘The losers include Russia (where oligarchy will destroy the country from the inside-out); China, India (if they can’t end the widespread corruption prevalent in the society); Israel (public sentiment against its apartheid policy towards Palestinians is increasing), Turkey (mainly because extremism is making a comeback and society is sadly moving backwards from the advancements of Atatürk).’*

Finally, some of the experts believe that it will not be a matter of various countries ‘losing’ economically so much as a redistribution of influence in the world due to new centres of industrial power arising.

« **Omer Nahum Freixa, Argentina**, university professor, Universidad De Buenos Aires: *‘The BRICS countries will be important actors in the international arena. The USA and Europe will be eclipsed by new emerging powers. South Africa will have a strong regional weight, not only in Africa.’*

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine ‘Kompaniya’: *‘I think that all countries which are currently members of the G20 will lose out one way or another, simply because economic growth in the world will be more even in a few decades’ time. Accordingly, all the states*

which are currently very influential will be less influential in relative terms. Two thirds of the countries which are currently considered weak and underdeveloped will be more influential.'

« **Vladimir Tyushin, Russia**, expert on social projects, RIA Novosti: *'The current global leaders will lose out not so much because of a decline, but because of stagnation (the extent of economic influence will fall not because of an actual decline, but due to the faster growth of "new economies"). The influence of the countries of "old Europe" and the USA will decrease.'*

So which 'new heroes' are expected by the global expert community to appear? We asked the participants in our research to identify the 'dark horse' states which are not currently G20 members but may enjoy unexpected and significant success in the period up to 2050.⁸

As Diagram 14 demonstrates, the spectrum of expert opinion on this issue was very broad. Therefore, our list only contains countries which got 5 per cent of the vote or more. If we again compare our data to the report mentioned above, 'The World in 2050', we get the following picture. According to the calculations of the HSBC bank's specialists, 19 of the 30 leading economies in the world will be countries which are currently described as developing. Besides China and India, rapid growth (over 5 per cent of GDP) will be achieved by the Philippines, Nigeria, Egypt, Malaysia, Peru, Bangladesh, Algeria, Ukraine, Vietnam, Uzbekistan, Tanzania, Kazakhstan, Ecuador, Ethiopia, Sri Lanka, Azerbaijan, Kenya, Bolivia, Jordan, Uganda, Ghana, Paraguay, Turkmenistan, Honduras and Serbia.

Our top list similarly included Vietnam, Nigeria, Malaysia, Kazakhstan and Egypt. In addition, the experts predict a big future for Iran, Pakistan, Poland, Columbia, Venezuela and Thailand. Apart from Poland and Venezuela, all these countries are in Asia or Africa. The only post-Soviet country in this rating is Kazakhstan, which takes fifth place in the list of potential winners.

The main factors that will allow the abovementioned countries to make a breakthrough can be grouped as follows.

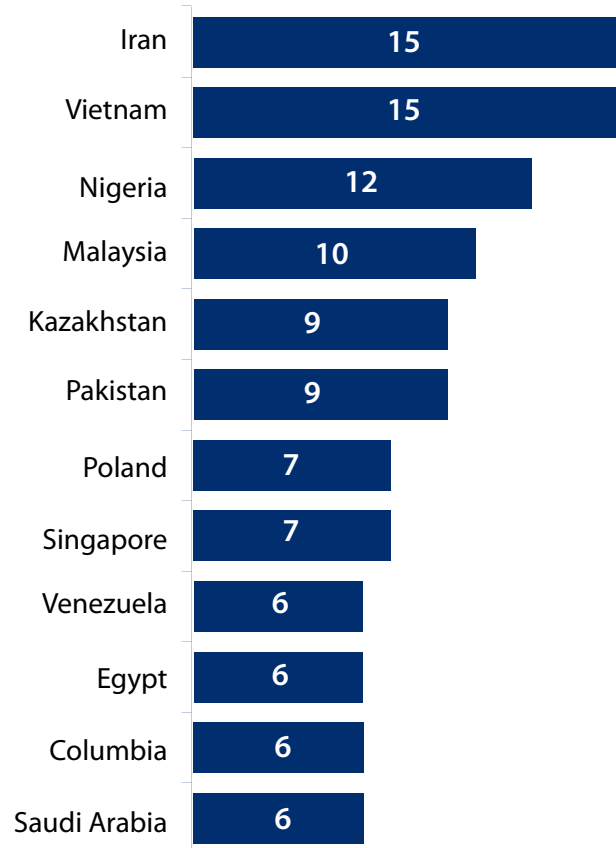
The experts believe that a country's natural resources and raw materials will play an important role, along with its demographic potential.

« **Chris Nancarrow, USA**, clerk of the Allen Circuit and Superior Courts, Indiana; chief deputy: *'Any state with significant natural resources, even if they are currently not utilized to their full potential, is likely to enjoy significant success up to and through that time period. This could include Brazil, Mongolia, and Kazakhstan.'*

« **Omer Nahum Freixa, Argentina**, university professor, Universidad De Buenos Aires: *'Perhaps Nigeria, thanks to its petroleum potential and plentiful population. It is the second African power today. Beyond this, I can see no other strong possibility.'*

« **Andriy Halushka, UK**, senior analyst at the Credit Agricole Corporate and Investment Bank: *'One such "dark horse" is Kazakhstan, which has a relatively well-qualified labour force and rich natural resources, including oil and gas. These will remain in demand in the short term at the very least.'*

Diagram 14. Candidates for success by 2050
percentage of all respondents



⁸ Open question. Multiple choice.

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *‘A “Kazakh renaissance” is highly likely. The states of central Africa will enjoy a “raw materials and industrial renaissance”.’*

However, natural and human resources alone are insufficient for the leap ahead. A state must also be able to use them effectively. Therefore, it is necessary to conduct industrialization, resolve urgent problems linked to domestic political instability, corruption or ethnic discord, and also limit the influence of religion on the economy (for Islamic countries).

« **Vladimir Tyushin, Russia**, expert on social projects, RIA Novosti: *‘An economic leap forward in the long term is possible for states which have at least two of these three factors: 1. an abundant population ensuring low labour costs; 2. significant reserves of natural resources; 3. a favourable geographic location in relation to the main centres of global consumption. Two additional conditions must also be met: a) there must be a strong state, guaranteeing political stability and protection for investments (including foreign investments); b) high transparency in the economic system (including protection from corruption, free movement of capital, lack of desire for economic sovereignty – as the objectives of stability and high growth are not achievable at the same time as economic sovereignty).’*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘Iran, Egypt, Kazakhstan, Pakistan (once the Afghan war and related destabilization processes are overcome) and various African states, starting with Nigeria if it overcomes corruption and religious division (which is injected from outside).’*

« **Igor Frolov, Russia**, doctor of economics and head of laboratory at the Institute for National Economic Forecasts, Russian Academy of Sciences: *‘We should pay more attention to Muslim countries where a process of de-sanctifying economic relations from the most reactionary dogmas of Islam is possible (for example, Iran, Pakistan and Malaysia).’*

« **Pavel Luksha, Russia**, director of corporate education programmes at the Moscow School of Management ‘Skolkovo’: *‘Pakistan, if it manages to maintain internal balance and avoid a destructive conflict with India. The states of South East Asia – Thailand, Vietnam and others. African states with large populations where industrialization should take place – Nigeria, Tanzania, Ethiopia.’*

The participants in our research stressed repeatedly that multiple geopolitical conflicts intrinsic to the growth zones in Asia and Africa would be obstructions to the ‘breakthrough candidate countries’ realizing their potential. On the other hand, geopolitical unions and economic integration will facilitate their success.

« **Andrey Medushevskiy, Russia**, tenured professor at the National Research University Higher School of Economics: *‘States in the post-Soviet region may become “dark horses” if they manage to acquire an identity and implement reciprocal integration on a pragmatic economic foundation. Some developing countries (Vietnam, Myanmar, Thailand and Iran) may also be “dark horses”; in Africa they could be Egypt and possibly Nigeria, if they manage to establish stability.’*

Incidentally, some experts do not think any major shifts will take place in the global division of geopolitical roles before 2050.

« **Dr Stephen Barber, UK**, reader, London South Bank University: *‘Large economic blocks such as the USA, China (BRIC) and the EU will all still exert influence in 40 years.’*

« **Dennis Anderson, USA**, professor and chairman of Management and IT, St Francis College: *‘The current G20 is made up on the basis of the scale of a country’s critical resources, the size of its economy, its population and so on. So outside this club it will continue to be the same status quo. Some may lose influence over time, like Canada, France, Italy, Japan and Saudi Arabia.’*

Thus, the international intellectual community does not expect a fundamental change of decor in the period up to 2050. The new ‘winners’ will have to act in accordance with the recipes of the second half of the 20th Century: win in a competitive battle by using advanced technologies and growth in human capital. Having a wealth of natural resources and raw materials may help matters, but it will not resolve the outcome of the battle for geopolitical and economic leadership.

Furthermore, it will be much harder than in the past to become new ‘tigers’ in the current 21st Century. The processes of globalization are intensifying in all areas – information, culture, politics, trade, finance, economics and so on. This stimulates the development and spread of all new technologies, thereby accentuating competition between countries.

In conditions of globalization, the post-modern view of politics seems entirely justified: the development of two opposing processes – unification and national individualization – will occur simultaneously. This phenomenon could first be observed in the post-war success of Japan, when a myth arose about Japan’s unique management system based on the particularities of its national culture. The reality was quite the reverse: the developers of the Japanese management model ‘tailored’ management schemes that were progressive for their time to specific Japanese conditions.

A nation’s economic success cannot be copied, although the principles of economic success can be understood. Only an individualized application of general principles in the new national environment can bring positive results.

Perhaps this is why the topic of meritocracy is again on the current agenda. National elites are becoming more responsible; new global challenges demand ‘the power of the best’. The principle of meritocracy can be understood in two ways: either a state simply creates a ‘competitive market of elites’, where the starting conditions allow the most gifted and hardworking people to flourish and get their chance to rise up; or it creates an ‘orangery of talents’ which takes care of the most promising people in a targeted way. But it is typical that in either case, the quality of the elite is a direct and important concern of the state.

Victory in global competition is impossible without integration into this global world. One condition for development is mobility of labour. The trend of mono-ethnic societies being eroded will strengthen. Therefore, the issue of inter-ethnic and inter-faith relations arises with new urgency, along with the issue of relations between the state and religion. One can separate the state from religion, but one cannot eliminate its role in the search for national identity. Nor can one shield social and cultural politics, education and the upbringing of youth from the influence of religious views.

In a period when civilizational conflicts are intensifying, it is rather risky to wait for the optimal formula for combining the secular and the spiritual to be found via ‘natural selection’. There is a need to actively search for new forms of spiritual unity, models of inter-ethnic and inter-faith consensus and to deliberately introduce the best practices at the level of state and inter-state policies. Incidentally, this is the subject of a separate piece of research which the Post-Crisis World Institute intends to conduct in the near future.



CHAPTER 6
ASIA-2050

REGION OF THE RISING SUN

Without doubt, the 21st Century is the Asian century.
Pavel Luksha, Russia, director of corporate education programmes
at the Moscow School of Management 'Skolkovo'

Asia announced itself as a region with great development potential in the period after World War II, when it surprised the world with the 'Japanese economic miracle'. In the past 30 years, Southeast Asia has managed to travel a path which Europe travelled over centuries. Today, Asia is confidently moving in the direction of becoming the world's dominant economic power.

A 2012 forecast by the USA's National Intelligence Council, 'Global Trends 2030', states that China will overtake the USA in terms of volume of GDP by 2030. In 18 years' time, the ability of Asian countries to influence the course of world events will be greater than that of the USA and the European Union. An OECD report from 2012, 'Looking to 2060: Long-term growth prospects for the world', contains the prediction that the combined GDP of India and China by 2030 will exceed the combined GDP of the USA, the Eurozone and Japan; by 2060 it will exceed the total GDP of all 34 OECD countries.

A report by the IMF which came out in April 2013 says that Asian countries will lead the process of the global economic recovery, with a growth rate of 5.7 per cent by the end of this year.¹ 'After a year of subdued economic performance, growth in Asia is set to pick up gradually in the course of 2013, to about 5 ³/₄ percent, on strengthening external demand and continued robust domestic demand. Consumption and private investment are expected to be supported by favourable labour market conditions—unemployment is at multiyear lows in several economies,' the document says.

Nevertheless, the IMF's regional economic forecast for Asia and the Pacific region warns of a slowdown in the growth rate of the Asian economies and the need to develop infrastructure. It is also noted that India, the Philippines, China and Indonesia ought to improve the work of their national economic institutions in order to maintain the pace of economic growth; such institutions are not working at the level required by the new demands of economic growth.²

At the same time it should be mentioned that even the rapidly growing economies of Asia are still at the stage of catch-up development. They are following the path of Japan, which experienced high growth rates for a long time thanks to use of existing technologies, improvements to them and victory in international competition. However, once the catch-up stage was over and opportunities to use existing technologies were exhausted, Japan turned from a rapidly developing country into a stagnating one. Sooner or later all the economies of Asia which are currently developing rapidly risk experiencing this phenomenon. It is an objective pattern of development, which can occur even in the most favourable political context.

It should be added here that Asia is far from being a region without problems: today, it is a territory of shocks, conflicts and turbulence and threatens to become a global 'hotspot'. Moreover, many analysts predict that instability will only increase in the coming years, which means both political and economic risks. So far, however, Asia remains the industrial workshop of the planet in the eyes of global public opinion.

Bearing in mind this preamble, **will Asia retain its status as the most dynamically developing part of the world?**

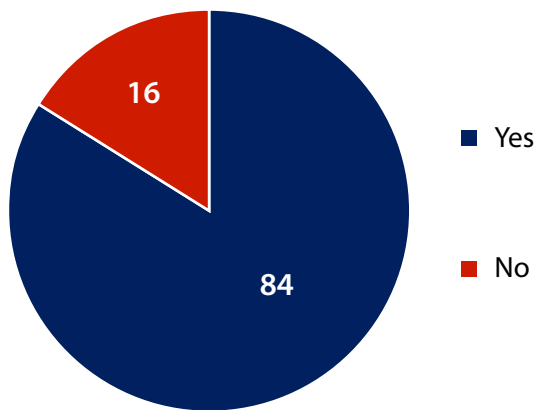
Diagram 15 shows us that the overwhelming majority of experts answered yes to this question: in the next 50 years Asia's status will only be reinforced.³

¹ <http://www.imf.org/external/pubs/ft/reo/2013/APD/eng/areo0413.htm>

² <http://www.imf.org/external/pubs/ft/reo/2013/apd/eng/areo0413.htm>

³ Closed question. One answer.

Diagram 15. Will Asia retain its status as the most dynamically developing part of the world?
percentage of all respondents



« **Yevgeniy Satanovskiy, Russia**, president of the Middle East Institute: *‘Asia is just beginning to realize its potential. Its rapid development will last at least two or three centuries.’*

« **Ahmed El-Shaffee, Egypt**, business consultant: *‘The continued growth of Chinese economic dominance and the rise of India, overtaking most Western economies, will mean a great shift towards Asia. This is supported by the new Asian tigers like Indonesia, Vietnam and Malaysia.’*

« **Leila M. Peralta, Philippines**, capacity development specialist, Asian Development Bank, Adb/Anzdec: *‘Asia is the most dynamic continent thanks*

to its fast growth in terms of global GDP – 5 to 6 per cent each year, plus rapid growth in exports and rapid growth in reciprocal trade with other countries.’

« **Rohit Talwar, UK**, CEO, Fast Future think tank: *‘It will experience upturns and downturns in the period but should continue to develop in an energetic manner.’*

The participants in our research believe that there are a whole series of factors facilitating this, from Asia’s demographic structure with a high proportion of young people and the rising level of consumption, to a favourable geographic location and the mobilizing nature of national identity.

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *‘There is simply no alternative. This is not just a matter of the economic foundations of development, but also a) the strong Asian identity; b) a sense of revenge for Western repression; c) rapid expansion beyond the limits of Asian economic and political markets (Africa and even the USA).’*

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘Asia will retain its title as the most dynamically developing part of the world, thanks to its large young population, massive job and entrepreneurial opportunities and scientific development in education. The economic landscape will be dominated by ASEAN (Association of Southeast Asian Nations) as the region will be a manufacturing hub and progress to a knowledge-based economy. The Asian region contains several developing countries and areas such as India, China, South Korea, Taiwan, Central Asia, Mongolia, Russia, Australia and Japan. Russia will play a vital role in the Asian market, as most of Russian territory is located in Asia. Japan’s technological sector will greatly assist ASEAN’s shift to a knowledge-based economy. Australia and New Zealand will benefit from Asia’s growth, as will African countries. Both regions could supply resources and agricultural goods to the growing Asian market. Asia’s economic success will have a spill-over effect on the rest of the world.’*

« **Vyacheslav Dodonov, Kazakhstan**, senior researcher at the Kazakhstan Institute for Strategic Studies under the President of Kazakhstan: *‘Asia will keep this status for the following reasons: its enduring status as the world’s leading industrial centre; growth in incomes and consequently public consumption at a faster pace than in other regions of the world; relative political stability. In addition, one should take into account the fact that other leading regions of the world (in particular, Europe and North America) will be forced to battle with problematic state finances in the coming years, which will slow down their macroeconomic dynamics.’*

In addition, some of the experts who are optimistic about the long-term prospects of Asia high-lighted the ‘engine’ role of particular states. China, India, Japan and South Korea were mentioned most often in this regard.

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *‘Asia will be at the centre due to economic prosperity and China’s hegemonic behaviour.’*

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *‘Asia’s leadership in global economic development will be facilitated by the presence of rapidly growing economies which could potentially be the biggest in the world, with a huge domestic market and consequently demand, like China and India. An orientation towards developing domestic consumption could make these countries “engines” for global economic growth. If Japan returns to economic growth then Asia’s global leadership will be indisputable.’*

« **Carlos A. Cortes-Gomez, Mexico**, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *‘If we consider China as the world’s biggest producer and second largest economy; Japan for its economic power and current influence worldwide; and South Korea as one of the main developers of new technologies in the world, then this region will maintain its status.’*

« **Tiago A. Ferreira Lopes, Portugal**, founding researcher and administrator, State Building and Fragility Monitor: *‘Asia will definitely be the most dynamically developing part of the world due to the economic vitality of Southeast Asia, the economic development of Central Asia (with a focus on the Fergana Valley) and even the economic strength of Russia’s Asian regions.’*

At the same time, some survey participants believe that Asia’s period of unprecedented growth has already ended, although the general trend of growth will continue, at least in the medium term.

« **Alexander Drivas, Greece**, researcher, Advisory Board, Geostrategic Forecasting Corporation (GSFC): *‘Their unexpected progress with enormous numbers will come to an end. On the other hand, with 37 years to go before 2050, Asia already has what it needs to create sustainable development.’*

« **Gueorgui Nikiforov, Japan**, project manager, Okinawa Institute of Sciences and Technology: *‘Yes, at least for the next few decades, until the region develops so much that it inevitably falls into a recession.’*

Meanwhile, some of the experts who offered positive forecasts about Asia’s future stipulated conditions which are necessary if their forecasts are to become reality.

« **Rahul Shah, Nepal**, consultant and private sector investment specialist, Asian Development Bank: *‘The main concern for me would be the current infrastructure deficit. Rapid growth in infrastructure investment would contribute greatly to Asia’s success.’*

« **Alla Burtseva, Russia**, commentator of Consolidated editorial board of Moscow Mayor and Moscow Government periodicals: , ‘Moscow Bidding’ magazine: *‘It will depend on many factors, the level of the world oceans, seismic activity in this region and so on. If there are no major natural disasters then it is possible.’*

« **Andrij Halushka, UK**, senior analyst at the Credit Agricole Corporate and Investment Bank: *‘Provided there is no social cataclysm, China will continue to be the economic engine of Asia. It is highly likely that India will also have high growth rates. In any case, no other part of the world can compete with Asia in this regard at the moment.’*

Fears were also voiced about some of the points mentioned earlier: Asian growth is largely coming from borrowing existing technologies, not endogenous technical progress. As soon as the ‘easy’ part of the borrowing ends, levels of growth will fall. Therefore, in order to avoid ‘Japanese-style’ stagnation, national economies should become more dynamic, which in turn will demand corresponding changes in the political systems of the ‘engine’ countries.

Also interesting is the view that developed countries are ‘encouraging’ the leadership of some Asian countries to a certain degree.

« **Vladimir Leonovich, Russia**, chief engineer at the Sedakov Scientific Research Institute of Measurement Systems: *‘The leading states have an interest in this. Otherwise they face a tsunami of migration.’*

« **Galina Kaninskaya, Russia**, professor, Department of Universal History, Yaroslavl Demidov State University: *‘This region is getting opportunities thanks to its “catch-up” strategy and also because the advanced countries are “toying” with it, a little fearfully. Moreover, this region has “untapped” natural spaces for modernization, in which the world powers could take part.’*

« **Chris Nancarrow, USA**, clerk of the Allen Circuit and Superior Courts, Indiana; chief deputy: *‘I believe this statement can be supported by the fact that the USA is increasing its military presence in the region.’*

Some respondents suggested that developing states from other regions of the world would compete for leading positions in the global economy alongside the Asian countries.

« **Kenneth Mikkelsen, Denmark**, founder and CEO, Controverse: *'The rise of the African continent will also play a role.'*

« **Miguel Delcour, Netherlands**, CEO, Firm in Enterprise: *'For sure! China, but also others, partly because of their work in Africa. Latin America will join in, but Asia won't give up quickly.'*

« **Dr Umut Korkut, UK**, professor, Glasgow School for Business and Society, Glasgow Caledonian University: *'Yes. However, we will also see Latin America rising in influence.'*

« **Igor Frolov, Russia**, doctor of economics and head of laboratory at the Institute of Economic Forecasting (IEF), Russian Academy of Sciences: *'Asia will keep its status until around 2030–2040. The pole of economic development will then gradually shift to the Islamic countries, then to Africa.'*

Yet only one sixth of the international expert community believes that the rapid development of the Asian economies is a transient phenomenon.

« **Vadim Kisin, Armenia**, deputy director of Russian company TsOSiVT: *'I believe that a period of consolidation and slowdown always follows any dynamic rise. Asia will have to switch to more moderate growth. The remaining dynamism may go to South America, where it hasn't happened yet.'*

« **Alexander Cherkasov, China**, International Studies researcher: *'Development will be more balanced as the world will become a more integrated system. The definition of development may also change dramatically.'*

« **Dr James Gilbert, USA**, head of Geo Future Consulting, Texas State University; visiting professor of Geopolitics: *'They are coming close to the limits of growth without structural reforms.'*

« **Evgenia Zaiceva, Latvia**, chair of the administration board, Latvian Accounting and Economists Corporation: *'Asia's development is limited by the volume of consumption in Europe and the USA, where there is stagnation. A crisis of overproduction is evident in all areas.'*

The experts highlighted domestic problems, characteristic for Asian states, which obstruct the maintenance of rapid development rates.

« **Christophe Burtin, Luxembourg**, CEO and founder of Strategy & Governance (S&G): *'In China, the population will decrease due to Mao's "one child" policy from the 1960s.'*

« **Maksim Leguyenko, Russia**, first deputy editor-in-chief of the website Utro.ru, RBK: *'The rather harsh regimes in the Asian countries are a serious limitation for them. At a certain stage, the lack of civil freedoms will prompt promising people to leave India, China, Russia and other countries for the USA and Europe. This migration of brains will last quite a long time.'*

« **Andrey Medushevskiy, Russia**, tenured professor at the National Research University Higher School of Economics: *'Asia as a whole is unlikely to retain its status; it has too many problems. But individual states – of course.'*

Many within this group of survey participants predicted that the centre of most dynamic development would shift in the medium and long term to other regions of the world – Africa or Latin America.

« **Dmitriy Belousov, Russia**, discipline head at the Centre for Macroeconomic Analysis and Short-Term Forecasting: *'The dynamism will gradually shift to Africa – the most underestimated region of the world, while power will grow in Asia.'*

« **Aleksander Apokin, Russia**, senior expert, Centre for Macroeconomic Analysis and Short-term Forecasting: *'It is highly likely that a large proportion of the current "low-tech" Asian projects will shift to Africa within the period under study, or back to developed countries – on a fundamentally new technological base.'*

« **Diego Iribarren, Qatar**, economic advisor to the CEO, Qatar Development Bank: *'It will be Latin America.'*

It is noteworthy that both groups of experts – those who believe in the future prospects of the ‘Asian renaissance’ and those who do not – expressed the view that the very factors which are currently stimulating explosive development in Asian states will in time cause the rate of growth to fall.

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine ‘Kompaniya’: *‘No, precisely because Asia today is the most rapidly developing region. It will exhaust the factors which are helping it to develop quickly, such as cheap labour. Asians will become richer. They will start to consume more of their own production. They will cease to be workers who produce things for the USA and Europe. Their birth rate will decline, just as it has already declined in China and Japan. Therefore, Asia in the medium term will probably become more like Europe.’*

It is also worth noting that no major differences were observed between representatives of different groups of countries in their answers about whether Asia will keep its status as the most dynamically developing part of the world. The share of positive answers was slightly higher among experts from developing countries, but this was entirely to be expected.

ON THE PATH TO SUCCESS

“New tigers” are nations which have the potential to become new global economic leaders by defying the global economic slowdown.

Kavleen Chatwal, India, senior researcher,
Council for research on International Economic Relations (ICRIER)

With the rise of Asia, as a new geo-economic and geopolitical pole of the world takes shape, extensive new opportunities are going to open up before many countries in the region. Today, state leaders are already facing the issue of how best to make the most of these opportunities.

« **Vadim Gasanov, Russia**, film-maker, advisor of TV-channel “Russia-2”: *‘The Asian countries are going to keep developing dynamically for a long time. But a big question is whether they will become countries with developed civil institutions or remain archaically constructed systems with mobile phones, computers and nuclear missiles.’*

The choice of strategy for achieving economic success includes within it questions about optimal reforms to systems for managing the national economy. Among politicians and academics in India and China, there are ongoing arguments about what is best: forced economic growth in conditions of a capitalistic command system, or rapid rates of economic growth in conditions of democratic coordination of interests.

However, the discussion about what is better for the nation’s development – democracy or strong and effective state management – is rather reminiscent of the endless arguments about the advantages of the brain and the heart, voiced by characters in the children’s book ‘The Wonderful Wizard of Oz’. China has culturally similar forerunners – South Korea and Taiwan – where the regimes were initially far from democratic, but then transformed to become entirely democratic. Moreover, the causes of transformation were not linked to the ‘indignant freedom-loving masses’, but to demands for new organization presented by the level of economic and technological development.

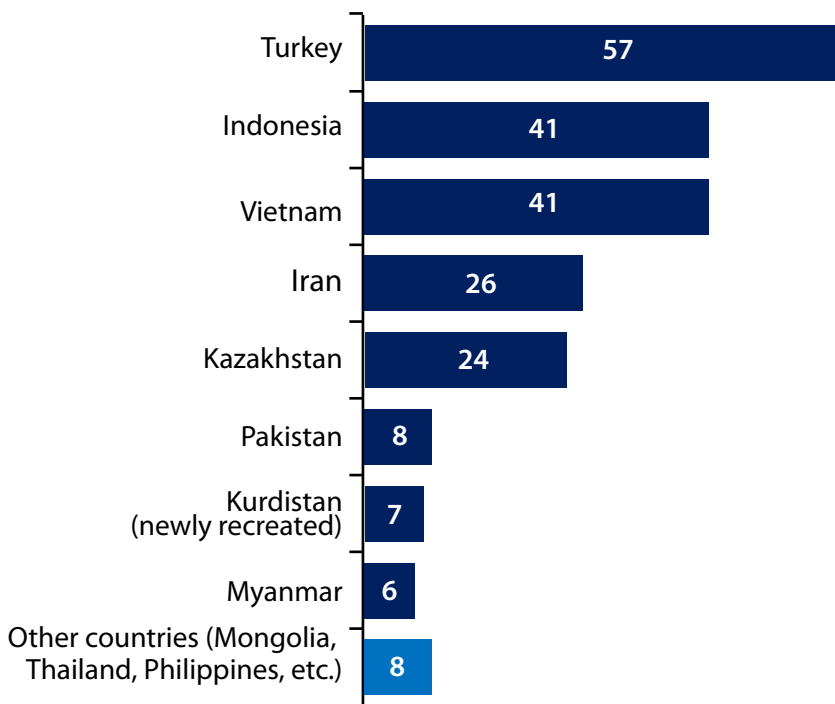
Today, we believe it is more relevant to consider which factors could serve as a ‘trampoline’ to help the developing states of Asia join the ‘new tigers’, as well as which countries in the region we should primarily expect to make such a breakthrough.

Diagram 16 shows the breakdown of opinion among the global intellectual elite regarding **which Middle Eastern and Asian countries could lay claim to the role of ‘new tigers’**.¹

Turkey leads the list of contenders; it was chosen by over half the participants in our research. Among the supporting arguments for this view, the experts primarily noted Turkey’s proximity to the EU and access to the European market, as well as its stable economic development, effective state policy in education and entrepreneurship and a culture of tolerance towards religious beliefs.

⁴ Closed question. Multiple choice.

Diagram 16. Contenders for the role of 'new tigers'
percentage of all respondents



« **Christophe Burtin, Luxembourg**, CEO and Founder of Strategy & Governance (S&G): *'Turkey, because of trade and the fact it is a young country close to Europe; Iran for geopolitics (local influence).'*'

« **Avni Dervishi, Republic of Kosovo**, founder and rector, Academy for European & Global strategy: *'Turkey, because of its stable democracy and economic development. Turkey is the tiger in the Middle East right now – without any doubt.'*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *'Turkey, for its future role in the European Union and*

its mediation between Europe, the Middle East and Central Asia; also for its quality of growing and respectful private entrepreneurship.'

« **Susanne J. Brezina, Austria**, consultant: *'Turkey, due to its economic development in the region and increasing economic relations with countries outside Europe, e.g. in Africa.'*

« **Pavel Luksha, Russia**, director of corporate education programmes at the Moscow School of Management 'Skolkovo': *'Turkey is already in fact a "new tiger"; an effective industrial policy and focus on developing the education system have played a role in this.'*

« **Diego Iribarren, Qatar**, economic advisor to the CEO, Qatar Development Bank: *'In this group, Turkey is the only country that will realistically be in a position to aspire to play a key role in world affairs. This will be based on the size of its population/economy/armed forces, as well as the quality of its human capital and economic resources (abundant and relatively cheap labour, industrial production based in place, future savings to finance technological development, key geopolitical location).'*'

However, the experts note the existence of various problems which hinder Turkey achieving the position of a regional or even world leader. Above all, there is the Kurdish problem and growing political Islamization.

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *'Turkey wants to become a major nation, but to do this Ankara must first resolve certain internal problems such as coexistence with minorities. To be valued in the West, recognizing the Armenian genocide would be a good start.'*

« **Fernando Salvetti, Switzerland**, founder and managing partner, LKN-Logos Knowledge Network: *'Turkey has positive economic trends, but problems related to growing political Islamization.'*

« **Sergey Rasov, Kazakhstan**, political columnist at Politcom.ru: *'In both Iran and Turkey there are high standards of living, a great desire to become a regional leader, to head alliances with countries of a similar mentality and high ambitions. The only thing which could get in their way is a tilt towards religion. Turkey is already a leader, but in future it could take the whole of Central Asia under its wing if it successfully resolves the Kurdish problem.'*

Indonesia and Vietnam shared second place in the rating of contenders for the role of ‘new Asian tigers’.

« **Francisco Luis Blanco, Argentina**, director of Blanco Political Consulting: *‘Vietnam and Indonesia have large populations, receive a lot of foreign investment and have cheap labour.’*

The survey participants often highlighted steady growth in exports, a course towards industrialization, cheap labour resources, domestic political stability and a favourable geographical location among Vietnam’s competitive advantages. At the same time, the development of an optimal economic strategy was identified as one condition necessary for Vietnam’s breakthrough.

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *‘Of all the countries in the list, Vietnam, with its interventionist economic policy, has grown most in recent years and is a great prospect for the region, only overshadowed by the giant China.’*

« **Alexander Cherkasov, China**, International Studies Researcher: *‘Vietnam, due to its recent rapid economic growth. It can only become a “tiger” if it maintains its rate of development and conducts an efficient economic strategy.’*

« **Adil Naeem, Pakistan**, project director, Etimad Pvt Ltd (VFS-TasHeel): *‘Vietnam’s GDP has been steadily rising for the past three years; growth for 2013 is expected to be around 6.3 to 6.5 percent. Exports are a major driver of economic growth in Vietnam and exports grew by 33-34 per cent in 2011-12.’*

« **Pavel Luksha, Russia**, director of corporate education programmes at the Moscow School of Management ‘Skolkovo’: *‘Vietnam has rapid industrialization, a growing information and communications technology sector and the most logistically convenient location of countries in Southeast Asia.’*

When choosing Indonesia, the experts highlighted its enormous population with a high proportion of young people; development of industry and the services sector, the presence of natural resources and favourable location. In addition, a number of survey participants believe that the fact Indonesia is a country of ‘moderate Islam’ is an important advantage. Nevertheless, our experts believe the country needs to balance the export of its natural and labour resources with consistent and strategic industrial development in order to improve its status.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘Indonesia is a hub for investment in new IT and technological companies, like China in the early 1990s, thanks to its large young population, reasonable labour market and resources spread across the territory. It is also a major crossroads via the Strait of Malacca and just a short distance from Singapore. It is a midway point between the Indian Ocean, the Pacific and Australia.’*

« **Laura Anahí Mafud, Argentina**, journalist at El Cronista Comercial financial newspaper: *‘Indonesia is the biggest economy in Southeast Asia today. It has industry, services and its GDP continues to grow. Doing business with Indonesia could be a gateway to China, so I guess the opportunities in that country will be considerable.’*

« **Balaji Chandramohan, India**, visiting fellow with Future Directions International: *‘Indonesia could claim the role of a new tiger. It is slowly graduating from being a regional power in Southeast Asia to becoming a great power in the Asia Pacific, thanks to the increased attention it is getting for its economy, which is modelled on state-centric economic growth with a capitalistic orientation.’*

« **Avni Dervishi, Republic of Kosovo**, founder and rector, Academy for European and Global Strategy: *‘Indonesia is the largest Muslim democracy in the world. It has peaceful development, good security and it’s safe to invest there.’*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘Indonesia, because its status as a moderate Islamic country could give it an important role to play in the Muslim world. Indonesia has a population of about 200 million people, something which is often forgotten.’*

Iran and Kazakhstan also have substantial potential for an economic breakthrough. A quarter of the international pool of experts allocated them the role of ‘new tigers’.

According to the survey participants, Iran is making more and more of a name for itself as one of the most developed and advanced states in the region regarding science and technology. Moreover, its geographic location, key position on the oil market, regional influence and high standards of living give the country undisputed advantages in the battle for leadership. However, the experts believe Iran will only be able to become a real leader when it overcomes its geopolitical conflict with the West and takes the path of a secular state.

« **Alla Zakharova, Russia**, general director of Zarubezhgeologiya: *‘Iran could occupy a leading position just because of its central location and access to all international transport networks – it is essentially the centre of Asia. Additionally, it has an unbelievable wealth of natural resources. It has the whole periodic table: gold, manganese, tin, oil, gas and so on. It has high population growth, a fantastic education system and state planning. Technologies are developing very well and dynamically. Even in their current situation, when imports are not getting through, they are providing themselves with everything.’*

« **Rahul Singh, India**, associate professor, head of international affairs and vice chairperson, India Centre for Public Policy, Birla Institute of Management Technology: *‘Iran, because of its capable workforce and market which is untapped due to political tussles.’*

« **Susanne J. Brezina, Austria**, currently consultant: *‘Iran, because of its influence in the Middle East (Syria, Lebanon) and key position in the petrol market. But only if its foreign relations are more diplomatic so that it avoids engagement in armed conflict.’*

« **Sergey Rasov, Kazakhstan**, political columnist at Politcom.ru: *‘Iran has high standards of living, a great desire to become a regional leader, to head alliances with countries of a similar mentality and high ambitions. The only thing which could get in its way is its tilt towards religion. If Iran takes the path of a secular state, it will undoubtedly become a leader.’*

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘Iran, for its extraordinary scientific and technological potential, once the present geopolitical conflict with the USA and the West is finally overcome.’*

Kazakhstan is the only post-Soviet Central Asian state which the experts ranked as a top-five contender for the status of ‘new tiger’. Solid reasons for this choice are its effective state management and planning; the rising educational level of the population; dynamic development of industry and the banking sector; favourable Eurasian location; rich natural resources and course towards international integration.

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘Kazakhstan was able to respond immediately to the challenges posed by the post-Soviet system and position itself in the international market. They have used state planning experience acquired under the past system in a more modern way. One change was the creation of a state-controlled development fund, Samruk Kazyna, which functioned as a market-oriented investment fund. It was free from old restrictions but maintained the national interest of development and modernization.’*

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine ‘Kompaniya’: *‘Kazakhstan is not yet a very developed country, but it has a very progressive political system and responsible elite which is genuinely moving along the path of reforms.’*

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘Kazakhstan is increasing its educated population by investing earnings from its resource exports. It is a hub for goods coming from Central Asia and China heading for Russia and the European market.’*

« **Tommy Kolferd, USA**, University of Ohio, emeritus professor for International Policy and Peace: *‘Kazakhstan has good results in state planning, geopolitical positioning and natural resources.’*

« **Laurenzo Santyago, Portugal**, deputy director of the International Security Research Centre: *‘Kazakhstan has a consistent and well-coordinated economic policy with clear guidance from the state and strong national leadership.’*

« **Andrij Halushka, UK**, senior analyst at the Credit Agricole Corporate and Investment Bank: *‘Kazakhstan has a relatively well-qualified workforce and rich natural resources, including oil and gas, which will remain in great demand at least in the near future.’*

« **Leila M. Peralta, Philippines**, capacity development specialist, Asian Development Bank, Adb/Anzdec: *‘Kazakhstan. The banking system of Kazakhstan is developing rapidly and its capitalization now exceeds \$1 billion. According to the 2010–2011 World Economic Forum Global Competitiveness Report, Kazakhstan is ranked 72nd in the world for economic competitiveness. Kazakhstan also possesses large deposits of phosphates. One of the largest known is the Chilisai deposit located in northwest Kazakhstan, which contains 800 million tonnes of ore.’*

« **Dr Raymond Kolter, China**, professor of International Relations at Shanghai International Studies University, Schools of International Affairs and Law (SISU): *‘Kazakhstan. Energy supplies, SCO, trade with China, stability with Russia.’*

The chances of Pakistan, Kurdistan (newly recreated) and Myanmar are considered by the experts to be much lower.

« **Myles Hopkins, South Africa**, CEO, 20:20 Vision Creators: *‘Kurdistan (newly recreated). It has huge oil reserves.’*

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *‘Kurdistan is showing strong signs of becoming a new tiger in the Middle East.’*

Only a few votes were given to certain other countries in the region.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘Mongolia. The nation is attracting investment in natural resources while improving the standard of education for its young population. The country is sandwiched between the growing wealth of China and the rich resources of Russia. It is a transit hub for Central Asia’s exports to Chinese ports and markets.’*

« **Andrey Cherepanov, Russia**, director of the National Development Project: *‘North Korea, once the totalitarian regime has fallen, by realizing its great economic potential.’*

« **Adil Naeem, Pakistan**, project director, Etimad Pvt Ltd (VFS-TasHeel): *‘Cambodia derives around 30 per cent of GDP from its agricultural sector, but the garment manufacturing and tourism industries are also major contributors to the economy. With the demand in metals constantly increasing and Cambodia having huge metal reserves, metals mining could become a contributor to growth in the future as opportunities in that area are explored.’*

« **Rahul Shah, Nepal**, consultant and private sector investment specialist, Asian Development Bank: *‘Myanmar, as it democratizes and opens its economy to foreign participation; countries have flocked to Myanmar to grab a slice of the pie. As pretty much the last remaining frontier in Asia, the country is seeing oodles of interest from Western and Asian powers.’*

The voting differences between representatives from different groups of countries are insignificant and entirely to be expected. Experts from developed countries voted most actively for Turkey, whereas Indonesia’s potential was rated more highly by representatives from developing countries. Experts from post-Soviet countries were more restrained in their assessments of these two countries. However, the participants in our research from the post-Soviet countries expressed greater optimism about Iran than the two other groups of experts.

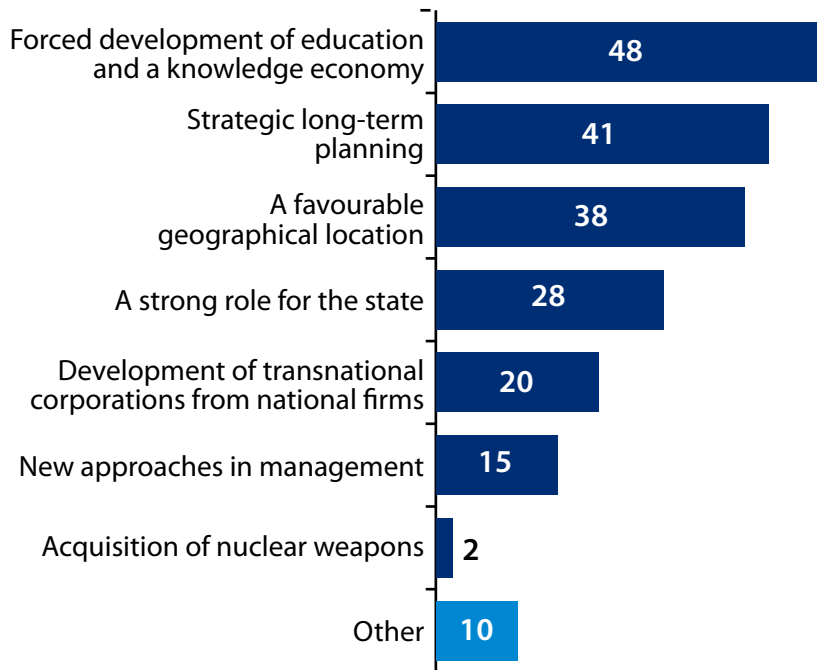
It is notable that experts from all the three groups were absolutely unanimous about Vietnam and Kazakhstan.

The survey participants were also asked to list what they saw as the most important factors that will allow the ‘new tiger’ countries to make their breakthrough. The experts’ opinions on this issue are illustrated in Diagram 17.⁵

⁵ Closed question. Multiple choice.

« **Vladimir Tyushin, Russia**, expert on social projects, RIA Novosti: *‘In the long term, an economic leap forward is possible for countries which have at least two of three factors: 1. An abundant population, ensuring low labour costs. 2. Significant reserves of natural resources. 3. A favourable geographical location in relation to the main centres of global consumption. At the same time, two other conditions must also be met: A. A strong state, guaranteeing political stability and protection for investment (including foreign investment). B. A highly transparent economic system (including protection from corruption, free movement of capital, lack of desire for economic sovereignty – as the goals of stability, high growth rates and economic sovereignty are not achievable simultaneously).’*

Diagram 17. Factors behind the breakthrough of ‘new tigers’
percentage of all respondents



Bearing in mind the ‘success formula’ which we discussed in the previous chapter, it is not surprising that our experts believe forced development of education and intellectintensive production to be the most important factor for a country’s ‘leap forward’. It was mentioned by almost half the survey participants.

« **Avni Dervishi, Republic of Kosovo**, founder and rector, Academy for European and Global strategy: *‘Economic development goes hand-in-hand with improvement of the educational system – if the country wants long-term development. And it has to go hand-in-hand with the development of beneficial social policies.’*

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘The key for the future economy is development of education and a knowledge-based economy which will turn a ‘new tiger’ into a developed economy. A strong economy and an educated society create talented leadership and a stable socio-political society.’*

« **Galina Kaninskaya, Russia**, professor, Department of Universal History, Yaroslavl Demidov State University: *‘In the forthcoming period, progress in education and science will largely ensure a country’s breakthrough in the international community. This should become the priority area in strategic long-term planning.’*

In the view of the expert community, serious attention needs to be paid to strategic long-term planning – this factor was mentioned by over 40 per cent of survey participants.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘Long-term strategic planning creates stability in the economy and financial institutions. It gives clarity to the “new tigers” in building on their strengths and correcting their weaknesses.’*

« **Dr James Gilbert, USA**, head of Geo Future Consulting, Texas State University, visiting professor of Geopolitics: *‘In a world of crisis, geopolitical power can only be achieved with a stable and consistent long-term strategy.’*

« **Laurenzo Santyago, Portugal**, deputy director of the International Security Research Centre: *‘Strategic long-term state planning is required to achieve positive changes in geopolitical power.’*

Over a third of the respondents consider a country’s favourable geographic location in relation to centres of global production and consumption to be a major advantage. As mentioned above,

this quality is possessed by Turkey, Indonesia, Vietnam, Iran and Kazakhstan, i.e. the countries which led the list of contenders to be ‘new tigers’ in our research.

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *‘Geography always plays a role in economic development.’*

« **Aleksander Apokin, Russia**, senior expert, Centre for Macroeconomic Analysis and Short-term Forecasting: *‘There have been no notable cases of a “breakthrough” by landlocked states. Therefore, access to the sea is probably also an integral characteristic of such a breakthrough.’*

Almost 30 per cent of participants in our survey are sure that strong state authority is a vital condition for rapid growth and a country raising its status in the international arena. State participation is necessary in infrastructure projects and projects aimed at developing human resources; strong state authority is able to create long-term strategies of national development and guarantee protection for investment.

« **Paolo Raimondi, Italy**, economist and editorialist, Italian economic daily ItaliaOggi: *‘The state should be the enlightened guide. It should help to generate development and national industry, which otherwise could not grow out of national private initiatives alone and even less from foreign investment and other foreign interventions. Such a state should also promote education as the bridge into modernity.’*

« **Aleksander Apokin, Russia**, senior expert, Centre for Macroeconomic Analysis and Short-term Forecasting: *‘Creating the infrastructure of development and supporting development projects – these are functions which only the state can take upon itself. Therefore, a strong role for the state is vital to make a breakthrough.’*

« **Carlos A. Cortes-Gomez, Mexico**, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *‘When drawing up a national strategy for development, a condition for success is strong state participation in designing and controlling the plan’s implementation. A leader is required and the state is the optimal leader. At the same time, there is a need for objectives and goals; this is why long-term planning is needed too. Long-term provisions and strategies rule out uncertainty. That is one more reason why new tiger countries need them, to anticipate changing global economic circumstances or conditions.’*

« **Vladimir Tyushin, Russia**, expert on social projects, RIA Novosti: *‘A strong state, guaranteeing political stability and protection for investment (including foreign investment).’*

It is noteworthy that the experts considered traditional methods such as turning national firms into transnational companies and introducing management innovations to be much less important for countries’ dynamic development.

« **Dmitriy Lytov, Canada**, independent web-journalist: *‘Transnational trade is a factor of the economy which is playing an ever more important role. But some countries will “tolerate” it while others will “enjoy” it.’*

« **A. Huzaim Abdul Hamid, Malaysia**, chairman and CEO, Ingenium Advisors: *‘They should catapult their local companies onto the international markets through competitive final products.’*

Very few participants in our research considered possession of nuclear weapons to be a significant factor.

Demographic potential, a large share of young people in the population, cheap labour, significant reserves of natural resources and national values were among the various important conditions for a ‘breakthrough’ which were mentioned by the survey participants.

« **Alexander Eterman, Israel**, economist and independent analyst: *‘All “tigers” start from the fact that they have very cheap and hardworking labour. Sometimes they have additional resources too. There should also be unsaturated markets – domestic and neighbouring. As a result, a huge number of various industries will move there. From there it will start to develop, not only because and not only while the labour is cheap, but also while the local markets are not saturated. They won’t become saturated soon. Afterwards, the usual running of the hamster on the wheel begins. There is crazy economic growth – 10 per cent annually – but starting from a very low level. New markets*

form. An enormous quantity of valuables and purchasing power thereby appear. Meanwhile, there is a very poor public and a cheap market. That's how they move forward. In that way one can go halfway from North to South Korea. Then it's necessary to change the paradigm.'

« **Sergey Veselovskiy, Russia**, senior researcher, Institute of Scientific Information for the Social Sciences, Russian Academy of Sciences; chairman of the board and head of the expert analytical centre IRSOT: *'In fact, I think the key factor for achieving success (a "breakthrough", as formulated in the question) is passionarity (a term of Lev Gumilev). The success of any country (not only the "new tigers") is ensured by a high level of energy in the nation as a whole and among the elite, plus genuine unity of purpose among the authorities and the people.'*

« **Michael Clements, New Zealand**, economic development specialist and independent consultant: *'The most valuable developmental factors are homogeneity, common and shared values within communities and self-respect.'*

« **Oleg Nemenskiy, Russia**, senior researcher at the Centre for Studies of States in the Near Abroad, Russian Institute of Strategic Studies: *'Asian countries are quickly mastering the developments of Western civilization. At the same time, they are retaining their cultural and social particularities to a much greater degree than the West (in most cases). This combination may help to avoid the serious crisis scenarios which the contemporary West is entering.'*

Patterns in responses given by experts from the different clusters of countries generally coincide completely, with one exception: strong state management plays a more significant role for representatives of the developing world. This factor is considered particularly relevant by experts from post-Soviet countries. It has no less weight than long-term strategic planning (for our countries these factors are indeed closely interconnected) and it is a greater advantage than geographical location.

Thus, it appears Asia will remain the most rapidly developing continent in the period up to 2050. Moreover, the appearance of 'new Asian tigers' in the geopolitical landscape will be an important event, not only for the country-champions themselves. Each new 'breakthrough' could shift the balance of power towards the developing world.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *'The "new tigers" could be the new economic engine of their region, helping it to achieve global player status or even changing international financial institutions and methods of doing business.'*

In order to accomplish this breakthrough, a long-term national strategy should target the development of human resources and the creation of a knowledge-based economy. Here, another important factor comes into play, which was not initially in our list but appeared very frequently in experts' comments. It concerns 'the unity of purpose among the authorities and the people', 'the responsibility of the elite', 'retaining cultural and social particularities', 'domestic political stability', 'the priority of common values', and so on, i.e. everything which is intrinsic to the very 'soul' of the nation.

Therefore, we believe it is important to reflect on one more issue of stable development – the competitiveness of multicultural societies. After all, most states in the Asian region which are recognized or potential leaders are multi-ethnic and multi-faith.

The processes of globalization and general economic development are forming stable new trends in intercultural interaction. In a UNESCO world report, 'Investing in Cultural Diversity and Intercultural Dialogue', it was noted: 'A broader conception of development is increasingly challenging the implicit equation of development with the maximization of profit and the accumulation of material goods. By failing to take account of cultural diversity, development strategies risk perpetuating or compounding the shortcomings they are supposed to remedy. Consideration of social factors and cultural context, as well as community participation in project design and implementation, are essential to sustainable development efforts.'⁶

For example, as the process of globalization develops, transnational companies are expanding rapidly; they are conduits for the process. One condition for the success of transnational companies today is management based on multicultural teams. The advantage of such teams lies

⁶ UNESCO world report 'Investing in Cultural Diversity and Intercultural Dialogue', p. 24.

not so much in knowing the cultural particularities of various countries (which is important in itself), as in the strong ‘hybrid culture’ of drawing up strategies and adopting decisions. It also lies in the greater creative potential created by combinations of various paradigms and approaches borne by representatives of different cultures. Thus, in a country with a multicultural population, corporations a priori have greater creative potential.

Another example is the ‘creative industries’ which appeared some time ago in the post-industrial economy. They can be defined as economic activity based on the production and exploitation of intellectual property. The same logic applies here as in corporate management: multicultural societies have greater creative potential thanks to their constant and direct contact and information exchanges with representatives of various cultures. Consequently, they have greater potential to develop creative industries.

Today, few countries with a multicultural and multi-ethnic population can boast about the absence or insignificance of interethnic problems. Often we have to observe the opposite and hear leading politicians talking of the famous postulate about the ‘fall of multiculturalism’. At the same time, a number of states which are very culturally and ethnically diverse are not experiencing any serious problems in interethnic relations. For countries which have managed to overcome conflicts and find a ‘formula for consensus’, domestic civilizational diversity (ethnic, cultural, religious) can become an important resource for state development and a competitive advantage.



CHAPTER 7
PREVENTING A GLOBAL
EXPLOSION

MENEH, MENEH, TEKEL, UPHARSIN¹

The attempt to export the Western model of world order is meeting resistance from Asian countries which have “grown up” and want to model the world in their own way.

Aleksey Maslov, Russia, head of the department for Oriental Studies
at the Higher School of Economics

At the end of the 20th Century, the risk of a full-scale nuclear war between the USSR and the USA was finally eliminated and the process of globalization proceeded at an accelerated rate. However, similar progress in harmonizing international relations afterwards failed to ensue. The process of globalization did occur in this area, but it can hardly be described as beneficial: the number of armed conflicts in the world has not fallen but risen; meanwhile, international terrorism has grown stronger and extended beyond the borders of any one country or even region of the world. The phenomenon of ‘coloured revolutions’ has emerged. They regularly break out in various countries and regions, in most cases with the help of foreign information and ideological intervention.

Doubt has openly been cast on the fundamental principle of non-interference in the internal affairs of sovereign states, which has been in effect in international relations since the Peace of Westphalia (1648); it is set down in the UN Charter (Article 2(7)). A number of humanitarian interventions in various countries have been conducted without UN authorization based on ‘the illegitimacy of authoritarian regimes’ or ‘forcing sides into peace’. Besides humanitarian motives, ‘retaliatory interventions’ and ‘preventative interventions’ have also spread.

Logically, eliminating the threat of global war and global destruction ought to have led to a stronger role for the UN and a more effective global negotiating process in solving various international problems. Yet this has not happened. On the contrary, the role of the G7 and G8 has increased. Because most of their member-states are also members of NATO, they often act in the interests of that Alliance. Until now, the role of the G7 and G8 has been comparable to that of the UN in terms of the scale of their impact on international affairs.

The UN as an organization is not having the best of times. The question of UN reform has been on the agenda for a long time for many reasons: there is insufficient representation of developing countries; the permanent members of the Security Council have a privileged position; the USA tends to dominate within the framework of a unipolar world structure; the problem of UN financing needs to be resolved, and so on.

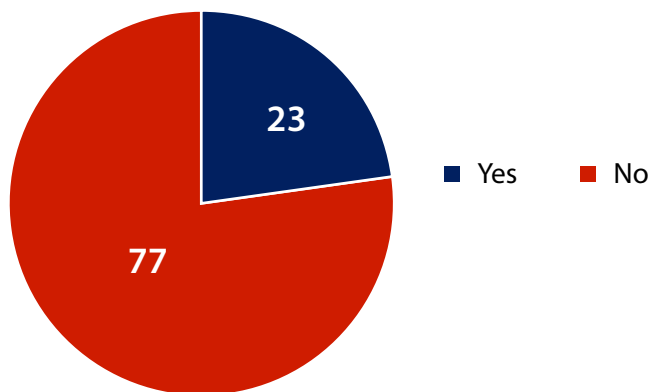
At the same time, it should not be forgotten that several private revolutions have taken place in the post-war era, encompassing important aspects of people’s lives in many countries. There has been a consumption revolution, a revolution of managers, a ‘green’ revolution, a revolution in the fight against infectious diseases, a sexual revolution, a scientific and technical revolution and – an important part of the latter – an information revolution, not to mention the collapse of the traditional institution of the family and a reduction in the role of religion in the life of society. The world’s mentality, at least in the developed world, has changed. It has also changed on the periphery, at least partially, since the developed world serves as a model for emulation and a source of borrowing.

A number of traditional societies were unprepared for the rapid changes and responded to the developed world’s cultural-consumerist expansion in the spirit of fundamentalism. Meanwhile, the mechanisms for international dispute resolution in the current era of globalism have changed little since post-war times. The UN is not capable of resolving the clashes that arise, which stem from a different kind of conflict than those of the 1960s to 1980s. Then the USA and NATO get involved.

¹ ‘Numbered, weighed, divided’: according to biblical tradition, these words were written on the wall by a mysterious hand during a feast of the Babylonian king Belshazzar, not long before the fall of Babylon at the hand of the Persian king Darius the Mede. ‘This is the interpretation of the matter: meneh, God has numbered the days of your kingdom and brought it to an end; tekel, you have been weighed on the scales and found wanting; upharsin, your kingdom is divided and given to the Medes and Persians.’ Daniel 5: 26-28.

In the course of our research we asked the experts: **Do you believe the measures currently being taken by the UN, the USA and NATO against countries they view as problematic to be effective?**

Diagram 18. Are the measures taken against problematic countries by the UN, the USA and NATO effective?
percentage of all respondents



As Diagram 18 illustrates², the overwhelming majority of survey participants do not consider such measures effective. When explaining their position, the experts put forward arguments which centre on two main theses: ‘bad goals’ or ‘bad means’.

By ‘bad goals’, most experts mean the dependence of UN policy on the interests of the USA and NATO, which have little in common with the declared goals of the measures being taken or the real interests of the countries subjected to the measures.

« **Alexander Cherkasov, China**, International Studies researcher: *‘The UN and NATO are but proxy committees for bigger transnational structures with different goals than those declared in the UN Charter... In*

the case of so-called “rogue states” (the term itself is based on a biased premise) the real goals are often: destabilization of the state (by using proxy rebel forces, as in Syria and Mali etc.); and/or “democratic movements” (as in Ukraine, Egypt and Tunisia etc.); and/or corrupt local elites (as in Russia or the Balkan region etc.); taking over through proxy groups OR creating controlled chaos (Libya, Mali etc.) so that no other power (i.e. China, Russia, Iran) can enter the region politically or economically.’

« **Tiago A. Ferreira Lopes, Portugal**, founding researcher and administrator, State Building and Fragility Monitor: *‘The majority of measures taken by the USA and NATO are based on momentary political interests without a long-term strategy or careful planning. Unfortunately, the UN has lost its international preponderance in recent years, especially since the Iraq invasion of 2004. In this regard all its measures tend to be as effective as the states which envisioned them allow them to be.’*

By ‘bad means’, most survey participants mean the ineffectiveness of military intervention as a ‘stabilizing measure’, or indeed any action taken from a position of force without considering the local particularities. Such intervention often has the reverse effect – existing problems get worse or new ones arise.

« **Vladimir Tyushin, Russia**, expert on social projects, RIA Novosti: *‘The measures which the UN, the USA and NATO take against problematic countries fall into two categories: economic sanctions and armed “peacekeeping” intervention. Both are examples of “direct reaction”; they suffer from the limits of their goals and often produce results which are diametrically opposite to the stated objectives. Economic sanctions lead to the consolidation of society around problematic regimes, while armed intervention with limited goals leads to a prolonged civil conflict, whether open or latent. These measures are often implemented due to the lobbying influence of certain groups of interests rather than clear need. It often emerges subsequently that to achieve the declared goals, actions are needed which are exactly the opposite of those implemented (it is paradoxical, but the Cold War extended the power of the Communist Party in the USSR, for example).’*

« **Susanne J. Brezina, Austria**, consultant: *‘They may seem effective, but only superficially and in the short term. On the whole, the conflict or problematic country lacks appropriate assessment and analysis BEFORE the intervention. Therefore, the intervention is NOT targeting the root cause of the problem and cannot provide a solution. Poor initial analysis also leads to mis-directed interventions, which can even do harm, especially in the long run. The interventions are very often designed based on the interests of individual states or groups; they leave out the key to the local problem. The intervention itself, e.g. a UN peace mission, tends to be part of the problem rather than a solution: it fosters economic instability by throwing US dollars and relief items at the local market. Prostitution and*

² Closed question. One answer.

human rights abuses are often committed by peacekeepers. Local resources are exploited while alienation of the local culture and customs is common. Lastly, there is often a purely military approach (e.g. in Libya), which lacks post-conflict recovery strategies and a perspective towards sustainable development.'

« **Sergey Rasov, Kazakhstan**, political columnist at Politcom.ru: *'All problems are resolved from a position of force, but it is time to recognize that only negotiations and compromises allow problems to be solved.'*

At the same time, a small section of the expert community actually approves of the formats of measures taken by the UN, the USA and NATO against 'problematic countries'; these experts consider the soft and inconsistent implementation of the measures to be ineffective. It is entirely predictable that the 'home port' of those who support this view is the USA or one of its closest allies.

« **Rohit Talwar, UK**, CEO, Fast Future think tank: *'They are too slow and ineffective, too bound in bureaucracy and driven too much by resource constraints. They don't intervene or impact effectively e.g. Syria. They need more of a mandate to force states to act in a reasonable manner towards their people and each other.'*

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *'The main problem is that the UN or sometimes NATO refuses to take strong action against potential threats.'*

Only a little under a quarter of the experts believe that the UN, NATO and the USA are coping with the problem of 'rogue states' and 'bankrupt states' quite effectively. However, even here it is suggested that it is more a matter of effectively defending US national interests.

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub): *'Despite shortcomings, they have some credibility in terms of assessing real problems. This is not exactly true of the UN, but it is certainly true of the USA and most NATO countries, which are effectively democratic and subject to scrutiny by scientists, citizens, a free press and diversity of opinions. Autocratic countries like China, Russia and some others do not have all this.'*

« **Carlos A. Cortes-Gomez, Mexico**, head of the Department of Economic Research D2 and facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution: *'In the short run, such measures can be effective but in the medium and long term such measures can be seen as repressive, as trying to impose certain social and cultural values in "problematic" countries or as an attempt to obtain economic benefits by exploiting such countries.'*

« **Natalya Vinokurova, Russia**, lecturer, Department of International Economic Organizations and European Integration, National Research University Higher School of Economics: *'The effect which the USA achieves from such measures is quite predictable and corresponds to the USA's long-term state planning in the area of international politics and international economics.'*

It is interesting to note that there is complete solidarity between experts from developed and post-Soviet countries in their assessment of the effectiveness of measures taken by the UN, the USA and NATO against 'problematic countries'. This assessment is predominantly negative.

Yet experts from developing countries are a little more loyal on this issue. This is apparently linked to the fact that most of the so-called 'problematic countries' belong to this group, as do potential candidates for such a status. In the highly diverse developing world there are indeed many problems and the risk often arises of a government in one country or another being unable to cope with a crisis situation on its own. Help from the international community is then a relevant issue. Precisely what such help should consist of is another matter.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *'The methods of the UN, the USA and NATO are based on the bi-partisanship of diplomats and domestic lawmakers. Russia's initiative should be followed by talking to the country in question or engaging in bilateral diplomacy. Consider the situations of North Korea and Iran. Both nations have domestic problems, which if left unresolved could lead to new governments. Taking a hostile approach only helps the current leadership to stay in power. If bilateral dialogue can be opened, maybe greater understanding could be reached and tensions would ease. If North and South Korea can talk, then why*

can't anyone else? The best way is to assign a diplomat and have that diplomat represent the interests of all parties in coming to an agreement. Having too many diplomats at a table is like having "too many cooks who spoil the broth".

« **Dr Raymond Kolter, China**, professor of International Relations at Shanghai International Studies University, Schools of International Affairs and Law (SISU): *'Nuclear proliferation, missile technology, nationalism, support of terrorism and repression of human rights are not adequately addressed with economic sanctions and containment. More developmental aid, economic assistance and education about good governance and global norms are necessary.'*

Is it possible in principle to overcome conflicts, including 'civilizational' conflicts, in the modern world? Diagram 19a shows the responses of the global intellectual elite to the question: **What priority measures should the international community take against countries experiencing a severe internal conflict?**³ As we can see, the main leitmotif of the answers can be summed up by the well-known formula, 'negotiations and compromises'.

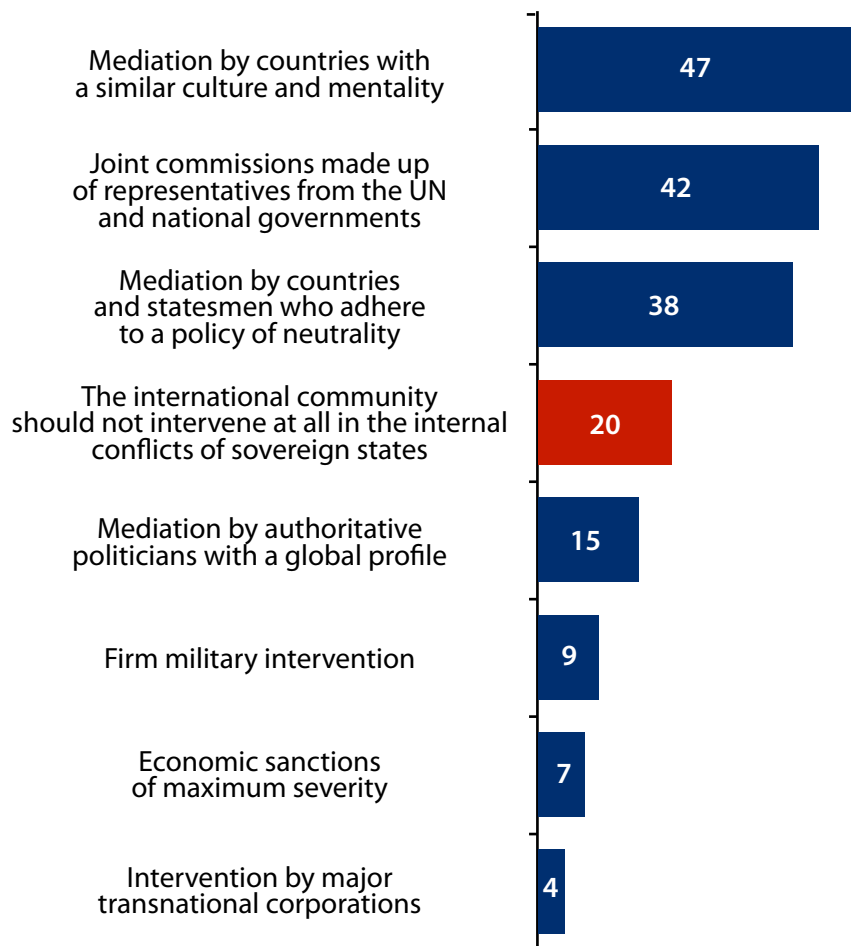
Almost half the experts think that mediation by countries with a similar culture and mentality is the most effective way to help 'crisis' states.

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *'Mediation by countries with a similar mentality is generally the best way to moderate conflicts, although it is not a panacea. Joint commissions may be very effective if they include experienced negotiators. There are well-known cases of the opposite effect occurring due to the lack of consideration given to national traditions and forms of communication or appeal (Nepal, Iran, North Korea).'*

« **Gueorgui Nikiforov, Japan**, project manager, Okinawa Institute of Sciences and Technology: *'You should never compare apples with oranges. For example, an American can never understand why French people have a 35 hour working week and a European person will never be able to understand how a Korean person can put up with no vacation. Therefore, when internal conflicts appear, people with a completely different perspective should not interfere, unless of course they are seeking dominance.'*

A little over 40 per cent of experts noted that joint commissions made up of representatives from the UN and national governments needed to be organized to find compromise solutions.

Diagram 19a. Priority measures to adopt towards countries experiencing a severe internal conflict
percentage of all respondents



³ Closed question. Multiple choice.

« **Simon Sundaraj-Keun, Malaysia**, freelancer, geo-strategic and cultural consultant: *‘There should be a UN joint military intervention task force when there is evidence of genocide, a humanitarian crisis, when a terrorist organization intends to take over a country, or if there is proof of outside forces aiding armed groups within the conflict zone. However, UN intervention should have a fixed timeline for operations and withdrawal.’*

« **Sergey Pakhomov, Russia**, president of Olympia Capital Ltd.: *‘The military expeditions in Iran, Afghanistan and Libya, as well as the “Arab Spring”, show that foreign military intervention, tough economic sanctions, or financial and military support for particular opposition, ethnic and religious groups (aimed at destroying political regimes disliked by the USA, NATO and conservative Arab states) have led to results quite the opposite to those planned. These methods do not lead to the rule of forces based on broad domestic social and political support, able to ensure internal stability on democratic principles. A choice remains between the principle of non-intervention in internal affairs and a mediating mission by the UN, aimed at finding a compromise between the government and opposition forces.’*

Almost 40 per cent of participants in our research drew attention to the need for mediation by countries and statesmen who adhere to a policy of neutrality and peaceful conflict resolution. The experts who particularly noted the expediency of mediation by authoritative politicians with a global profile should also be added here.

« **Oleg Nemenskiy, Russia**, senior researcher at the Centre for Studies of States in the Near Abroad, Russian Institute of Strategic Studies: *‘In contemporary conditions, proxy wars are becoming ever more effective, i.e. abandoning open state intervention. In this context, the mediating role of neutral countries is more significant.’*

« **A. Huzaim Abdul Hamid, Malaysia**, chairman and CEO, Ingenium Advisors: *‘Bosnia and Mali provide evidence of how firm military intervention can end internal conflicts. However, continued problems in Africa show that it does not always work. In the end, mediation by strong leaders who believe in a similar set of principles may be the best solution.’*

A number of experts argued that the effectiveness of applying various measures would depend on the specific conflict, region and problems. In particular, ideas were voiced about the expediency of mediation by regional blocs.

« **Andrij Halushka, UK**, senior Analyst at the Credit Agricole Corporate and Investment Bank: *‘It depends on the specific conflict. It is impossible to identify an optimal solution for all cases.’*

« **Tiago A. Ferreira Lopes, Portugal**, founding researcher and administrator, State Building and Fragility Monitor: *‘Mediation by regional blocs like the EU, ASEAN, the AU, the SCO and the CIS.’*

Finally, a fifth of the expert community called for strict observance of the principle of non-intervention by the international community in the internal conflicts of sovereign states.

« **Vadim Kisin, Armenia**, deputy director of Russian company TsOSiVT: *‘The international community should not intervene in these conflicts at all. Isolation is the best thing in such situations. I am concerned about the future of that specific society as an independent entity. I think they should live their own lives.’*

It is significant that the supporters of radical measures – military intervention or tough economic sanctions – are in the absolute minority. Moreover, when talking about such measures, the survey participants focused attention on the observance of clear principles for their implementation: a clearly defined category of threats which fall under corresponding sanctions, a timeframe for conducting operations, and so on.

In our view, it is interesting to examine the different preferences of experts depending on the group of countries to which they belong (Diagram 19b).

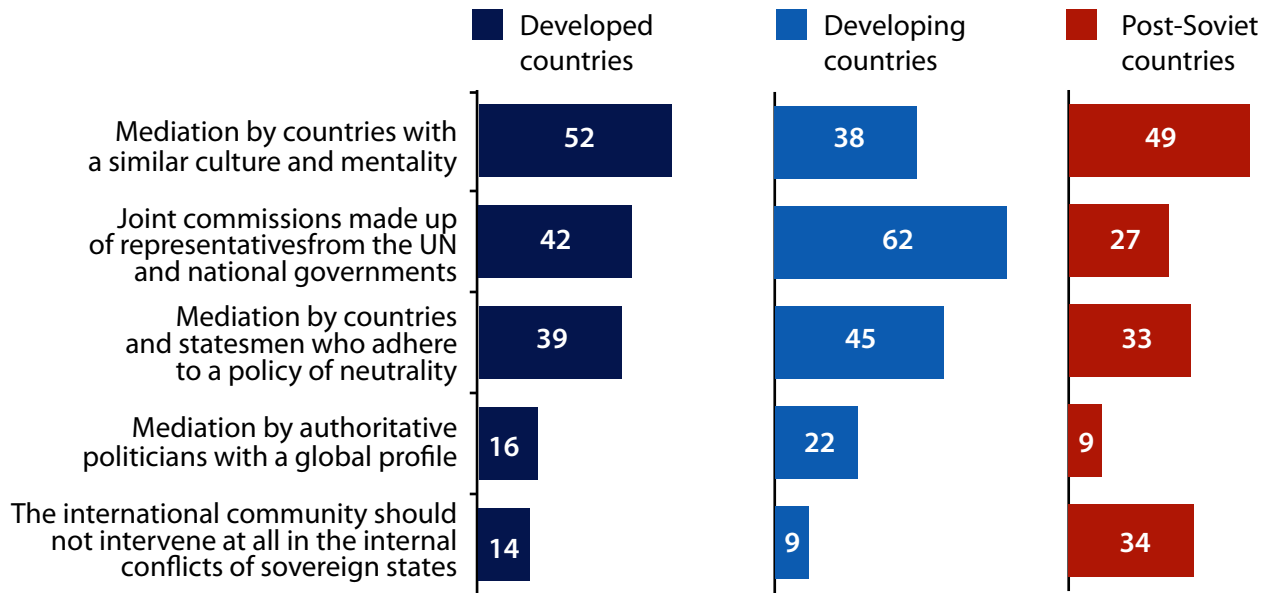
The answers of research participants from developed countries coincide with the general trends for the whole sample. However, the two other ‘clusters’ of experts demonstrate particular patterns in their choice of responses.

Thus, the majority of apologists for the idea of non-intervention in the affairs of sovereign states are representatives of the expert community from post-Soviet countries. They are most sceptical

about the idea of forming joint commissions with the UN, giving clear preference to mediation by countries with a similar culture and mentality.

Diagram 19b. Priority measures to adopt towards countries experiencing a severe internal conflict

percentage by groups



In contrast, among survey participants from the developing world the idea of joint commissions made up of representatives of the UN and national governments enjoys the most trust. They are inclined to have less faith in ‘similar’ countries than experts from the other groups. Most notably, this section of the expert community objects least of all to intervention by supra-national institutions in the internal conflicts of sovereign states.

PATH TO AGREEMENT

‘It is much easier to win the war than the peace.’
Georges Clémenceau

The number of conflicts in the world is not falling. Their consequences are becoming ever more of a threat as the technology for producing weapons of mass destruction spreads. It cannot be ruled out that the nerves of one side will fail to hold out at a certain stage and chemical, biological or even nuclear weapons will be used. This could lead not only to the immediate death of a large number of people; it could also turn the conflict into a war of total destruction, especially if it is a religious conflict.

Mankind urgently needs an effective set of tools for peacekeeping that is adequate for the reality of today. We asked the participants in our research: **Which peacekeeping principles do you consider effective in the new era?**

As Diagram 20a shows⁴, more than half of the experts consider forced movement towards overcoming poverty in the world to be the best medicine against threats of escalation.

« **Dennis Anderson, USA**, professor and chairman of Management and IT, St Francis College: *‘The root of many conflicts is poverty.’*

« **Kavleen Chatwal, India**, senior researcher, Indian Council for Research on International Economic Relations (ICRIER): *‘Widespread poverty in a nation is a curse for the nation and each nation should attempt to avoid this curse, as societies within the nation will benefit from this attempt.’*

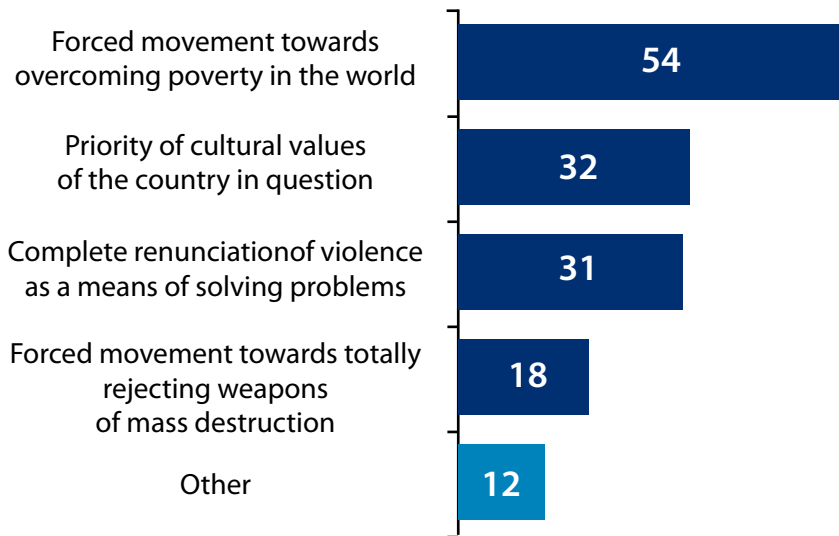
⁴ Closed question. Multiple choice.



Sergey Pakhomov, Russia, president of Olympia Capital Ltd.: *‘Poverty lies at the root of almost all social, political and religious conflicts. Actively eliminating it would substantially reduce the degree of tension in the world as a whole.’*

On this issue, the view of our survey participants coincides exactly with the view of experts from the World Economic Forum, who identify the excessively large gap in income between the rich and the poor as the biggest threat of the coming decade in their report ‘Global Risks 2013’. They believe increasing poverty is even more important today than the debt crisis and depreciation of assets; more dangerous than threats of an environmental or medical nature.

Diagram 20a. Effective principles of peacekeeping
percentage of all respondents



According to data in a report by the Arab League and the UN Development Programme, ‘Development Challenges for the Arab Region – 2009’, the average level of poverty in Arab states had reached 40 per cent; approximately 140 million Arabs were living below the poverty line.⁵ According to World Bank data, the level of literacy in these countries is also extremely low.⁶ Poverty, the low level of education and the depressed state of mind associated with it create fertile soil for aggression, the spread of marginal ideologies and extremist religious teachings. The series of destructive

conflicts accompanied by foreign intervention – which has gone down in history as the ‘Arab Spring’ – is a good illustration of the experts’ conclusions. Yes, the triggers of the conflicts were not directly linked to the level of poverty and education. However, when a powder keg exists, a light wind and stray sparks are sufficient to cause ignition.

Around a third of the participants in our research believe that the world needs to completely reject violence as a tool for resolving problems. The idea of non-violent conflict resolution has already occupied the minds of humanist thinkers for over 100 years. For roughly the same amount of time it has failed to be put into practice in domestic or international politics of various countries. Yet as we can see, it still remains topical and in demand.



Galina Kaninskaya, Russia, professor, Department of Universal History, Yaroslavl Demidov State University: *‘The geopolitical interests of states are undoubtedly going to overlap for as long as mankind exists, so opportunities should be found to avoid violent resolution of conflicts in the world – and of course in society, where the problem of poverty is resolved with most solidarity.’*

The same proportion of respondents believe that the principles of modern peacekeeping should be based on unconditional recognition of the cultural values of those countries where intervention by foreign forces is needed to resolve an acute internal or external conflict.



Avni Dervishi, Republic of Kosovo, founder and rector, Academy for European and Global Strategy: *‘Culture and the freedom to express one’s culture are very effective tools for avoiding conflicts and wars. Until now, the international community has neglected this fact. I think it is about time to change this.’*

⁵ <http://www.arab-hdr.org/publications/other/ahdr/ahdr2009e.pdf>

⁶ <http://data.worldbank.org/indicator/SE.ADT.LITR.ZS>

« **Gueorgui Nikiforov, Japan**, project manager, Okinawa Institute of Sciences and Technology: *'If it is considered OK in a country for a woman to stay at home all day and wear a veil over her face, it should be allowed. On the other hand, if it is considered OK in another country to take drugs, as in the Netherlands, that should be allowed as well. That is one of the benefits of having different countries: one also has different rules.'*

« **Chris Nancarrow, USA**, clerk of the Allen Circuit and Superior Courts, Indiana; chief deputy: *'As with all forms of settlements and mediation, peacekeeping needs to respect the culture and ideals of the populations involved.'*

Only one in five participants considers forced movement in the direction of humanity's total rejection of weapons of mass destruction to be the best way of facilitating peace. Moreover, they talked about improving control over the proliferation of weapons of mass destruction more than totally abandoning them.

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *'It is very important that the UN adopts a firm policy on controlling weapons of mass destruction.'*

Some experts proposed other possible measures and principles which could facilitate the implementation of peacekeeping missions. They share a humanitarian approach to the problem, essentially implying gradually evening out the opportunities for various peoples and countries to develop. This correlates entirely with the topic of overcoming poverty.

« **Susanne J. Brezina, Austria**, consultant: *'Access to key resources for all and inclusive economic relations. Education is included in the abovementioned key resources.'*

« **Wendi Boxx, USA**, educational systems and achievement instructor, Technische Universität München: *'Education and greater inclusion of girls and women in all social, economic and cultural spheres.'*

« **Ahmed El-Shaffee, Egypt**, business consultant: *'Complete renunciation of stereotyping based on religion, background and ethnicity.'*

« **Dr Raymond Kolter, China**, professor of International Relations at Shanghai International Studies University, Schools of International Affairs and Law (SISU): *'Priority should be given to peaceful pursuit of the right to development; incrementalism; and preventing crimes against humanity, genocide, rape, hunger and the forced relocation of populations.'*

Some participants in our research expressed pessimism regarding the very possibility of resolving international or domestic political conflicts in a civilized way alone, without using force.

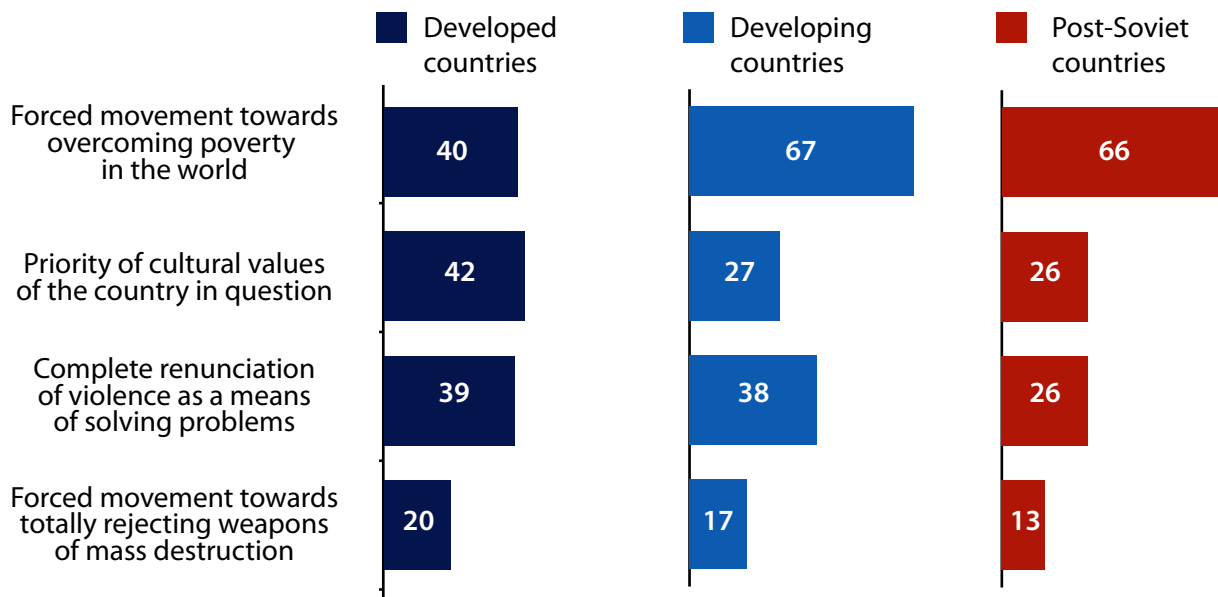
« **Sergey Trofimenko, Russia**, partner in communication group Point Passat: *'None of these principles will work, as the history of civilization shows that all problems are resolved from a position of force in the end.'*

« **Oleg Nemenskiy, Russia**, senior researcher at the Centre for Studies of States in the Near Abroad, Russian Institute of Strategic Studies: *'If we are talking specifically about effectiveness, mankind has not thought up anything more effective than genocide. The formula "no person – no problem" works at the international level too, unfortunately. The most famous genocide practices are clear evidence of this.'*

The experts' preferences regarding the basic principles of peacekeeping vary depending on the group of countries to which they belong (Diagram 20b). Experts from developed economies give equal weight to overcoming poverty, totally rejecting violence and prioritizing the cultural values of countries subject to intervention by the international community. For research participants from the developing world (including post-Soviet countries), overcoming poverty and development inequality are most important, which is entirely logical.

It is interesting to observe that all the groups of experts agree on one matter: totally rejecting weapons of mass destruction is in last place among the priorities. It appears that possession of such weapons in today's world continues to be seen more as a restraining factor than a factor facilitating the outbreak of war.

Diagram 20b. Effective principles of peacekeeping
percentage by groups



Thus, the mechanism for peacekeeping on the planet requires, if not complete alteration then at least improvements based on existing institutions and procedures, in the expectation that new procedures and institutions will emerge.

« Igor Frolov, Russia, doctor of economics and head of laboratory at the Institute of Economic Forecasting (IEF), Russian Academy of Sciences: *The key problem of peacekeeping in the new era is the lack of effective means to localize conflicts. Therefore, intervention based on any of the listed principles is not effective. But in order to create effective means, a new kind of international peacekeeping subject needs to be formed.* »

In conditions of globalization and the free flow of information, triggers for revolutionary moods form and take effect much faster, which makes supporting stability a process hard to control. Therefore, bridging the gap between the ‘poor’ and the ‘rich’ is key to achieving stability in the world. Creating equal opportunities for growth and development, between both states and individuals, implies easier access to resources, a multitude of educational programmes, the export of advanced technologies from the developed world to the developing world, including managerial technologies.

The conflicts of recent years have clearly demonstrated that attempts to directly transfer the ‘principles of democracy’ (like any other principles of social order) from countries of one culture to countries with a completely different origin and mentality are not only unproductive; they may also have negative consequences. The global expert community calls for the creation of an international peacekeeping mechanism which, on the one hand, would allow any disagreements to be resolved without using force, and on the other hand would take into account the civilizational particularities of the participants.

The appearance of large regional economic clusters in the process of globalization leads one to think that such a mechanism might initially be found among neighbouring states with a similar culture or a high degree of cultural interpenetration. At the same time it is clear that this mechanism should be formed in advance – before the conflict breaks out; and specifically – when the conflict arises. This approach appears all the more expedient given that new poles in a multipolar world will seemingly emerge in the process of these regional clusters strengthening.

As conflicts are more often than not linked to the Islamic civilization, which has no single religious centre nor a country recognized as the civilizational leader, at the current stage a very productive idea might be mediation by countries of moderate Islam which adhere to a policy of neutrality. Various types of ‘mass produced’ conflict resolution techniques are inapplicable here. On the other hand, the goodwill of a country which has exclusive positive experience in the area of solving an intra-civilizational conflict could really play a role as a tool of restraint.

The existence of weapons of mass destruction has so far successfully kept mankind from a new world war. Yet at the same time, these most dangerous weapons are proliferating around the planet more and more, despite all the efforts of the IAEA, the UN and 'nuclear club' countries. This not only concerns countries which are trying to create such weapons (or which have already created them in secret). It also concerns the efforts of individuals and organizations. It cannot be ruled out that in the period up to 2050, mankind will face the use of weapons of mass destruction and on a much larger scale than the sarin gas attack on the Tokyo metro that was carried out by a group of crazy fanatics. It is therefore clear that the mechanism for international control over the creation and proliferation of weapons of mass destruction also requires radical improvement.



CHAPTER 8
THE ROLE OF PERSONALITY
IN RECENT HISTORY

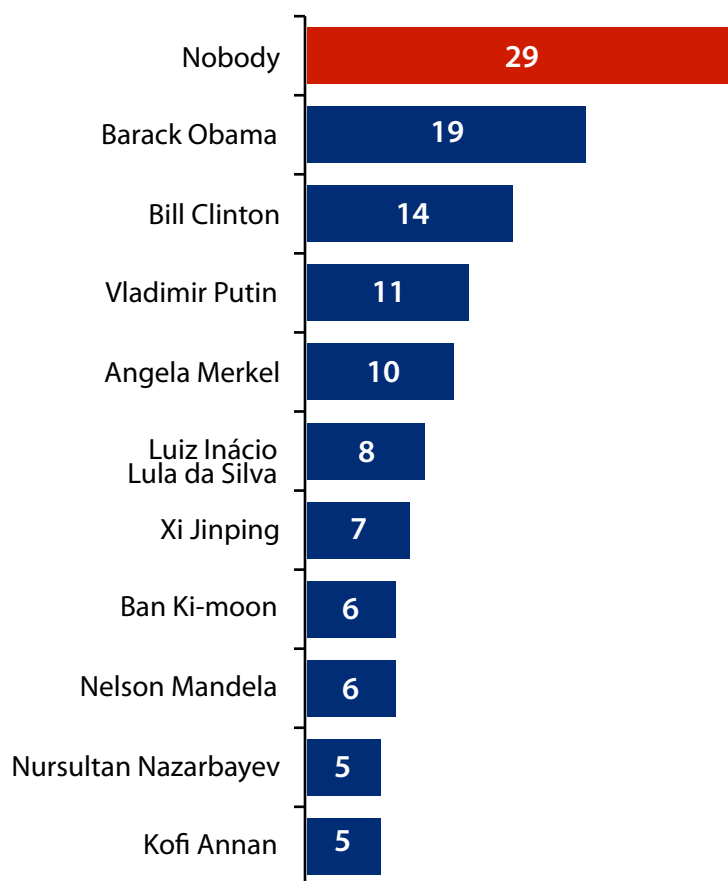
WHERE TO FIND PEACEMAKERS?

*For blessed are the peacemakers on earth.
Love all, trust a few, do wrong to none.*

William Shakespeare

Continuing the theme from the previous chapter regarding the need to improve existing institutions, mechanisms and procedures of peacekeeping, we would like to focus in more detail on the following aspect. Most representatives of the global expert community talk of the effectiveness and even necessity of mediation by other countries and politicians with a global profile in the process of settling conflicts peacefully. Both countries and politicians should clearly enjoy the trust of a large number of people on both sides of the barricades which divide the conflict participants.

Diagram 21. Potential peacemakers in the new conditions
percentage of all respondents



If we consider particular individuals, it would seem at first glance that a person with the most ‘appropriate’ line of professional activity, who has proven himself in a similar field, should be effective at peacemaking – in other words, a well-known politician or national leader.

We asked the participants in our research to name **statesmen (well-known politicians or national leaders) who could act as peacemakers in the new, changing conditions.**¹

The results were not encouraging. As Diagram 21 shows,² the leading response in the rating was ‘nobody’. A third of the experts said categorically that true authorities capable of taking on the role of peacemaker do not exist today.

« **Alla Burtseva, Russia**, commentator of Consolidated editorial board of Moscow Mayor and Moscow Government periodicals ‘Moscow Bidding’ magazine: *‘There is currently no-one with a global level of authority, able to really influence conflicts.’*

« **Paulo Roberto de Almeida, Brazil**, diplomat and professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub): *‘I see*

no-one at the moment. The world is suffering from a complete absence of great leaders. Many of them are not really international leaders, only state leaders with some projection abroad. Most of them are really mediocre.’

« **Michael Clements, New Zealand**, economic development specialist and independent consultant: *‘How sad!!!! NOBODY comes to mind. Certainly, no “well-known politicians or (people pretending to be) national leaders” could (or should) act as peacemakers. You cannot fix a problem by deploying the same people who caused the problem in the first place.’*

¹ Open question. Unlimited number of answers.

² The diagram shows people named by at least 5 per cent of research participants.

« **Andrij Halushka, UK**, senior analyst at the Credit Agricole Corporate and Investment Bank: *'Unfortunately I do not see any political figures who enjoy a high enough level of general authority for the role of peacemaker.'*

Some of the research participants discussed the problem as being 'there are no others, and the ones we have are far away'. They regretfully recalled Nelson Mandela, Mother Theresa and Pope John Paul II, who have either passed away or cannot fulfil such functions due to their age.

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *'I do not really see any such characters. Mandela is already very old.'*

« **Konstantin Matviyenko, Ukraine**, head of Gardarika Strategic Consulting Corp.: *'There are no current ones... Today, no leader has such authority... Mother Theresa has unfortunately passed away. John Paul II has also passed away. And there aren't yet any current ones.'*

It should be noted here that engaging a former leader, a leader from a different era, in peacemaking is not always an optimal decision. There is the risk that he or she will take actions based on categories from their own time, past reality, which may not be appropriate in the changed conditions.

A number of experts pointed to the fact that politicians cannot be peacemakers in principle, primarily because of their loyalty to the interests of their own state.

« **Gueorgui Nikiforov, Japan**, project manager, Okinawa Institute of Sciences and Technology: *'Statesmen are elected to protect someone's interest. As long as this is happening they cannot be peacemakers, because what is acceptable for some is not acceptable for others.'*

Therefore, the survey participants often proposed engaging spiritual leaders (Pope Francis, the Dalai Lama) or figures from sport and culture, etc., as peacemakers instead of politicians.

« **Yevgeniy Satanovskiy, Russia**, president of the Middle East Institute: *'There are no such people. Peacemakers are saints, not politicians, even less national leaders.'*

« **Ahmed El-Shaffee, Egypt**, business consultant: *'I would rather promote peacemaking through non-political figures. In particular, sporting events, the movie industry, works of art and national celebration icons could be used to help the process.'*

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *'Cultural figures can play a much bigger role, as their level of trust is higher.'*

We believe there are many situations in which the interests of a particular state may fully coincide with the declared goal of the peacemaking mission – to establish a fair and therefore enduring and long-term peace. Above all, this happens when a state neighbours a country generating instability. Such proximity often inflicts direct damage on surrounding countries, as trade relations suffer, investment risks increase and the threat of 'exporting instability' rises.

At the same time, the peacemaking functions of politicians and cultural figure do not contradict each other. Rather, they complement each other, as they operate to a certain extent in different planes of peacemaking activity. Figures from culture and sport, well-known public figures and winners of the Otto Hahn medal are more effective in 'preventative' peacekeeping, when it is a matter of preventing conflicts in the early stages or humanizing political activity in general. Mediation by politicians with a global profile and significant experience of activity in the international field is more expedient for relieving conflicts in their acute stages.

« **Laura Anahí Mafud, Argentina**, journalist at El Cronista Comercial financial newspaper: *'I wish I could see that in one statesman right now. I do admire the new Pope Francis, but I do not think a single person, even a single religion, can make such a huge difference. I guess many politicians worldwide, as well as spiritual leaders (from Francis to Ravi Shankar) from different religions and beliefs should talk and try together to remember the kind of planet we would like our grandchildren to live in.'*

It seems many of the research participants agree with this view, as they think politicians and national leaders are called to be peacemakers. Besides traditional options like 'retiring heads of state' and 'former US presidents', it was often suggested that they should be leaders of major strong powers. As we can see, it was this logic which determined the rating of potential peace-makers: the top spots are occupied by current or retired leaders of the USA, Russia, Germany, Brazil and China.



Vladimir Tyushin, Russia, expert on social projects, RIA Novosti: *‘Peacemakers should be the leaders of countries which have authority, power, the political will to apply their power and an international mandate to apply their power. Above all, this means the leaders of the USA, Russia and China. At the same time, the very approach to peacemaking should change from “conciliatory” and “partisan” to “ultimatums” and “impartial”.* *“The troops draw apart along this demarcation line and cease fire. The side which fails to keep these conditions will be considered the aggressor and subject to elimination.” This approach is one way of resolving the “prisoner’s dilemma”, of which an armed civil conflict is a variant.’*



Alexander Eterman, Israel, economist and independent analyst: *‘Only current leaders of major states can be genuinely influential. Plus a few former figures could occupy such roles for a short time: Blair, Putin, Obama, Merkel.’*



Galina Kaninskaya, Russia, professor, Department of Universal History, Yaroslavl Demidov State University: *‘It is thought that the best way for statesmen and politicians to make peace is the establishment of various “tandems”, “triumvirates” and so on, made up of several leaders – on the condition that they act as a unified front: for example, Barack Obama – Vladimir Putin – Angela Merkel or Bill Clinton – José Manuel Barroso – Hu Jintao.’*

Another frequently mentioned approach was to choose leaders of neutral or recognized peace-loving states as peacemakers, or the leaders of international organizations (primarily the UN).



Rahul Singh, India, associate professor, head of International Affairs and vice chairperson, India Centre for Public Policy, Birla Institute of Management Technology: *‘I cannot name any BUT they will be from South Africa, Brazil, Mexico, India; i.e. countries which do not produce arms or ammunitions and have poverty.’*



Andrey Medushevskiy, Russia, tenured professor at the National Research University Higher School of Economics: *‘Proceeding from three criteria for adopting international decisions (legality, neutrality and legitimacy), statesmen from neutral countries with recognized democratic systems (the European states) and UN representatives are best suited to the role.’*



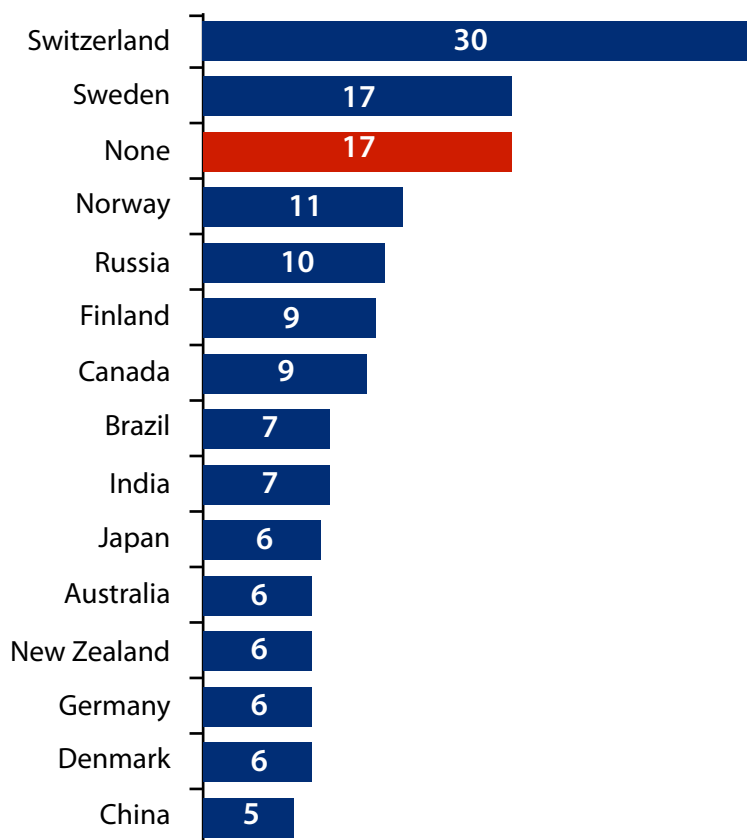
Sergey Pakhomov, Russia, president of Olympia Capital Ltd.: *‘Ideally, this role by definition should belong to the UN secretary-general.’*

For the goals of peacemaking it is clearly important that the ‘mediator’ is peaceful and predominantly neutral, because this rules out ‘foreign’ political, economic or territorial interests affecting the peacemaking process.

We also asked the research participants to name **countries which are currently adhering scrupulously to a policy of neutrality and peaceful conflict resolution**.³ In this case, too, the results are not too encouraging (Diagram 22).⁴

As we can see, Switzerland is the only more or less strong example of such a country

Diagram 22. Countries which adhere to a policy of neutrality and peaceful conflict resolution
percentage of all respondents



³ Open question. Unlimited number of answers.

⁴ The diagram shows people named by at least 5 per cent of research participants.

in the eyes of the experts (it was mentioned by a little under a third of respondents). At the same time, the most frequent argument to support the choice of Switzerland was the phrase ‘people think so’. In second place was Sweden, where observance of strict neutrality is also a consistent priority of state policy.

« **Vladimir Tikhomirov, Russia**, senior economist at the financial corporation Uralsib: *‘Peacemakers should probably be countries which are not members of blocs and which have long pursued a policy of neutrality. Sweden, Switzerland, Norway – they are probably the clearest examples of this, because it is simply a state policy. Moreover, it has been so for quite a long time.’*

Alongside Sweden in the list were a number of other Scandinavian countries – Norway, Finland and Denmark.

A few experts named leaders of the developing world in the form of the BRICS countries, despite the fact that these countries have their own large and powerful armies equipped with the latest weaponry. In other words, interest in preventing and settling conflicts does not always mean totally rejecting measures of force, or threatening measures of force. In practice, the participants in our research consider scrupulous observance of the principle of neutrality to be a dubious matter, especially where powerful geopolitical players are concerned.

« **Alexander Cherkasov, China**, International Studies researcher: *‘Adhering to neutrality and peace as a principle is not viable in the current international climate. However, such rhetoric can be used as a general strategic message, if not under extreme conditions. The countries with such official strategies are India and China.’*

In this regard, some of the experts are sure that a policy of neutrality and peaceful settlement of conflicts is the exclusive prerogative of countries which do not have their own military power and are also as ‘distant’ as possible from participants in international conflict. There is a certain kind of logic to this. If both sides in the conflict are convinced a priori that the ‘peacemaker’ will not apply any military force against them, then the diplomatic efforts of a small, peaceful and unarmed country may in a number of cases be more effective than multilateral commissions composed of representatives from the main global centres of military power.

« **Konstantin Frumkin, Russia**, deputy editor-in-chief of the magazine ‘Kompaniya’: *‘Peacemakers should be small countries; countries which have no real opportunities and military power to intervene in the conflicts of other states, but are able to scrupulously adhere to a policy of neutrality. Although there are exceptions – Israel, for example, is a small country but it is not neutral. Or the Netherlands, which participates in NATO operations – it is not neutral either. None of the big countries are neutral, of course.’*

« **Vladimir Leonovich, Russia**, chief engineer at the Sedakov Scientific Research Institute of Measurement Systems: *‘The vast majority of countries which are not militaristic. There can be no guarantees when there are surplus weapons.’*

« **Vadim Kisin, Armenia**, deputy director of Russian company TsOSiVT: *‘The Kingdom of Tonga is ideal. It could adhere to a policy of neutrality and conflict resolution in Karabakh, because it is all absolutely the same to them. It is so independent that nothing depends on it. No strong group in the world ever adheres to a policy of neutrality and peaceful conflict resolution if their own direct interests are at stake. It cannot be neutral, because it would cease to be an influential group as a result.’*

Among the experts there were quite a few who fundamentally denied the very possibility of any country being truly neutral. This is apparently why the option ‘nobody’ was in the top three of the rating.

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *‘It seems to me that “neutrality” is a very ambiguous term. At present, no state can play the card of innocence.’*

« **Gueorgui Nikiforov, Japan**, project manager, Okinawa Institute of Sciences and Technology: *‘Every country looks after its own interests. So there is no country in the world that would be altruistic.’*

« **Vladimir Tyutin, Russia**, technical director at Steklozavod Vorga: *‘There are no such countries – there never have been and never will be.’*

Apparently, it only remains to agree with Joseph Stiglitz on the fact that ‘the world has been left without leaders’ on this issue. The West is ceasing to be the moral authority, but none of the current leaders among the developing countries has yet acquired the status of a generally recognized ‘guru’. But when it is a matter of war and peace, the demand for such leaders is more than topical.

- « Mikhail Fofanov, Russia, independent expert: *‘The role of peacemaker in the new changing conditions is the burden of leaders of the global elite and representatives (carriers) of ideological systems.’*
- « Vladimir Leonovich, Russia, chief engineer at the Sedakov Scientific Research Institute of Measurement Systems: *‘I think there are such politicians (there should be) but they are currently in the shadows.’*
- « Alla Zakharova, Russia, general director of Zarubezhgeologiya: *‘National leaders should resolve it by their national policy. Moreover, a policy which allows people to study, work, have children and raise them.’*

It seems quite clear that a successful politician should manage the function of peacemaking most effectively, i.e. a leader who has proven his ability to solve problems facing his own country in practice.

LAURELS AND THORNS

‘One person may express the will and spirit of a nation as an organic whole... better than all humans put together. This is the basis of the significance of great people in the historic life of nations.’

Nikolay Berdyayev

It is very difficult to say who can be considered a successful politician. Firstly, there is a very wide range of problems which are solved by politicians because of the great variety of conditions in which countries today find themselves. The problems facing developed countries are very different in nature to the problems of developing countries. There is also substantial variation within both these groups.

Secondly, the very concept of ‘success’ requires thought. Is a leader who heads a programme of modernization in his country and achieves a breakthrough a successful politician, irrespective of possible victims and desperate resistance from the opposition? What about a balanced strategist who achieves a compromise and stability through lengthy and exhausting negotiations between various participants in the political process? Finally, what personal qualities or preferences regarding tactical moves characterize a successful politician? Should he be a calm and worldly-wise leader like Urho Kekkonen or an eccentric leader like Pierre Trudeau? Should he be a passionate adherent of an ideology or religion that is popular in his country, or hold himself equally distant from all spiritual and ideological views?

The question of the role of personality in history has been discussed for as long as it has been on the agenda. It was certainly not an objective of this research to try to bring something conceptually new to resolving the issue. For us, the main interest lies in how the global intellectual community assesses well-known state leaders from the point of view of the extent to which their activity ‘in the driving seat’ of the national economy facilitated the success or failure of their country.

The history of the last three decades after the collapse of the USSR in 1991 provides examples of colourful leaders from various countries in various regions. Who among them facilitated their country’s development, who caused their country to lose its previous position and who had no noticeable impact at all on the course of their nation’s history?

The top **five leaders who have clearly facilitated the success and development of their country** comprises current German Chancellor Angela Merkel, former Chinese leader Hu Jintao, Russian President Vladimir Putin, recently deceased president of Venezuela Hugo Chavez and

⁵ Closed question. One answer for each person

Diagram 23a. Leaders who have facilitated the success or development of their country
percentage of all respondents

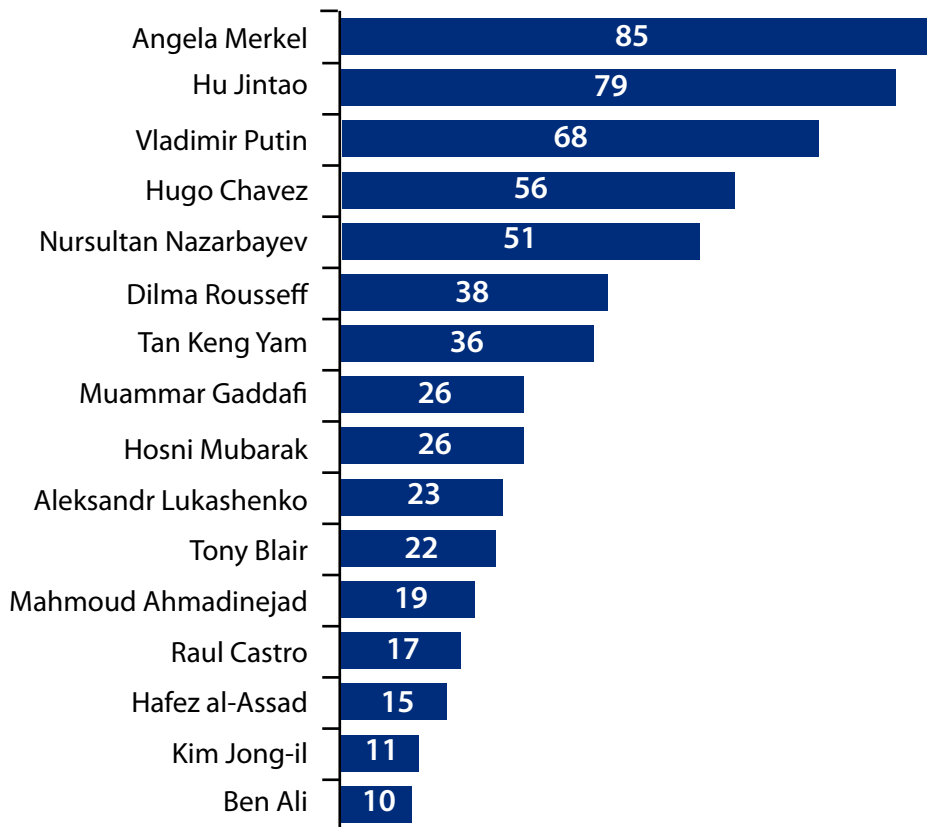
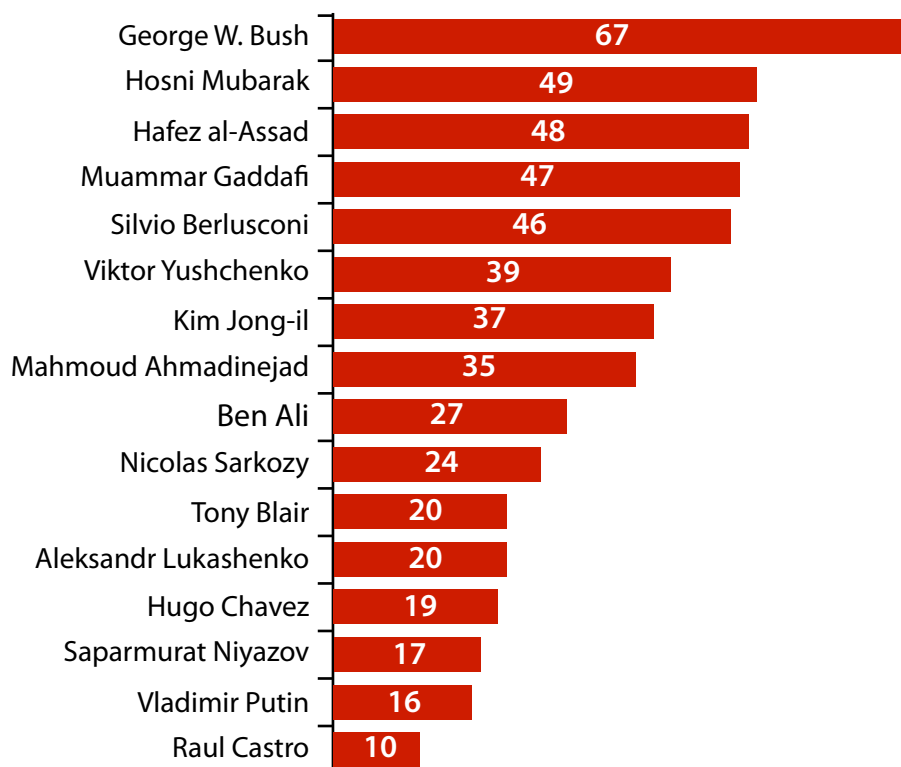


Diagram 23b. Leaders who have caused their country to lose its previous position
percentage of all respondents



President of Kazakhstan Nursultan Nazarbayev (Diagram 23a).⁵

Brazilian leader Dilma Rousseff and President of Singapore Tan Keng Yam also scored highly in the rating of ‘successful leaders’.

It is noteworthy that after the undisputed leader, Angela Merkel, the rest of the top 10 are leaders of states from the developing world.

The list of **politicians who caused their country to lose its previous position** is led by former US president George W. Bush (Diagram 23b).



Wendi Boxx,
USA, instructor,
Educational
Systems and

Achievement, Sociological and Economic Conditions of Education, Technische Universität München: *‘I hope history judges Bush harshly. I sincerely consider BUSH and his administration largely responsible for so much of the USA’s current misery – social, economic and educational.’*

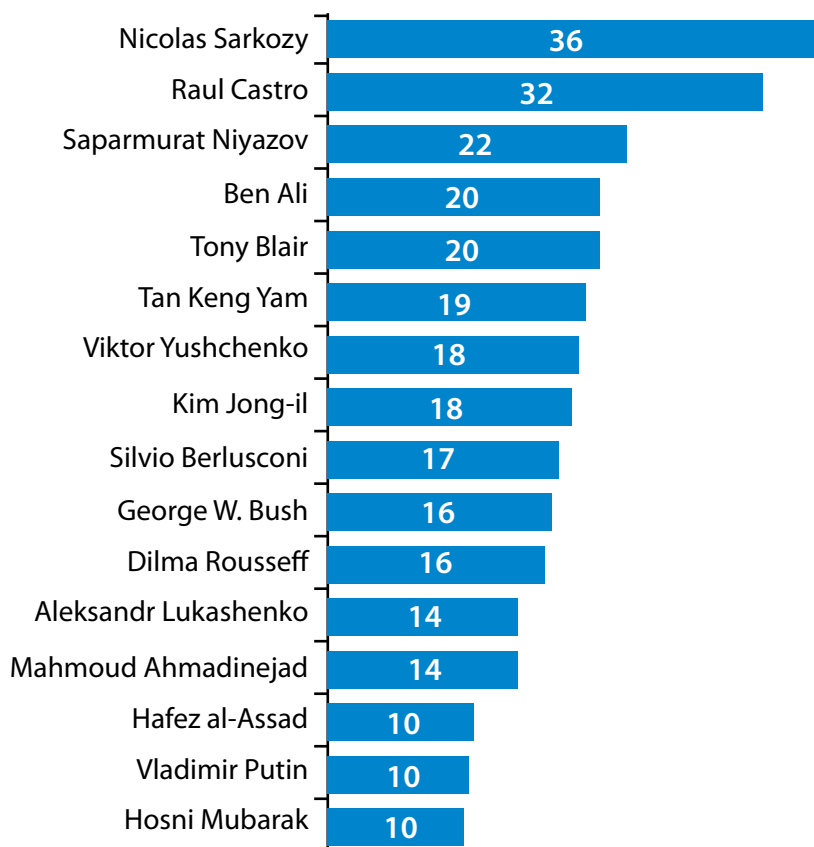
The outcasts of the Arab Spring occupy high places in the rating of ‘anti-leaders’: got bogged down in civil war Hafez al-Assad, the murdered Libyan leader Muammar Gaddafi and former president of Egypt Hosni Mubarak, who recently regained his freedom. In fifth place is the former Italian prime minister, Silvio Berlusconi.

Not far behind them in terms of the number of negative assessments are former Ukrainian president Viktor Yushchenko, former head of North Korea Kim Jong-il and one of the greatest irritants to the USA, Iranian president Mahmoud Ahmadinejad.

It is also interesting to consider the rating of **political leaders who did not have a major influence on their country's development** (Diagram 23c). As we can see, the list is headed by

former French president Nicolas Sarkozy and Cuban leader Raul Castro.

Diagram 23c. Leaders who have not had a major influence on their country's development
percentage of all respondents



Two very different characters – the charismatic Sarkozy, whose activity and statements were repeatedly objects of careful attention and bitter arguments, and the ‘principled second act’ Raul Castro – have ended up in rather similar circumstances nonetheless. Both leaders came to power around the same time (a year apart); both took charge of their countries after many years under extremely colourful personalities (Jacques Chirac and Fidel Castro); both very soon had to face the consequences of the global economic crisis.

Although the ‘laurels’ and ‘thorns’ turned out to be quite clearly allocated in our survey, one of the main topics which came up in the experts’ comments was the impossibility of giving an un-ambiguous assessment to politicians in general and specific individuals in particular. They argued that

almost all statesmen are ambivalent in their roles in the international political arena.



András Inotai, Hungary, research professor at the Institute for World Economics of the Hungarian Academy of Sciences (IWE of the HAS): *‘Most leaders registered achievements and failures in different periods of their governance.’*



Pavel Luksha, Russia, director of corporate education programmes at the Moscow School of Management ‘Skolkovo’: *‘One can only point to a few leaders who a) were in charge for a sufficiently long period for the effect of their government to be evident; and b) unquestionably improved or made worse the country’s situation across the majority of issues. In the majority of cases their influence was ambiguous. For example, Merkel has had a series of foreign and domestic successes, but there have also been things like a fall in position in military alliances and the closure of a whole major sector (nuclear) due to concerns about electoral success. Additionally, the personal cycle of many politicians coincided with a global trend: Putin’s success in his first term and a half was largely the result of favourable prices on the oil market.’*

In our survey, the most striking example of such dualism was the former British prime minister, Tony Blair, who got an identical score in all three ‘nominations’. However, when discussing the contradictory role of various leaders in their countries’ history, the experts more often than not referred to the events of the Arab Spring.

« **Aleksey Maslov, Russia**, head of the department for Oriental Studies at the Higher School of Economics: *‘A strong galaxy of Arab leaders was swept away in the “Arab Spring” precisely because they were noticeably strengthening the influence of the Arab world. The weaknesses and mistakes of Western leaders are largely linked to their inability to adapt quickly to the total change in the global situation.’*

« **Gulimzhan Suleimenova, Kazakhstan**, head of the Institute of Civil Service Modernization, Academy of Public Administration under the President of Republic of Kazakhstan: *‘The leaders of countries in the Arab world contributed significantly to their countries’ development, although when they achieved the “peak” they should have reviewed their policy and development strategy.’*

Most of the abovementioned politicians received both positive and negative assessments from the participants in our research, including the undisputed leaders in their nominations – George W. Bush and Angela Merkel.

« **Vassilios Damiras, USA**, CEO of Geostrategic Forecasting Corporation (GSFC): *‘Former US president George W. Bush created a new era in international politics by understanding the threat of Islamic terrorism.’*

« **Omer Nahum Freixa, Argentina**, university professor at Universidad De Buenos Aires: *‘The role of Merkel is key to understanding the whole development of the crisis in the Eurozone.’*

The whole spectrum of opinion should therefore be taken into account when considering the image of each political leader in the eyes of the expert community. Thus, for example, Dilma Rousseff and Tan Keng Yam have very low scores in the anti-rating, unlike the deceased Hugo Chavez, who at first glance is ahead of them among the ‘laurels’.

In our post-Soviet space, the clear outsider is Viktor Yushchenko. Aleksandr Lukashenko is seen in a very contradictory light, while the achievements of Saparmurat Niyazov appear very unconvincing.

The high ‘success rating’ of Vladimir Putin is spoilt by a substantial ‘fly in the ointment’: altogether, a quarter of respondents consider his role in Russia’s history as negative or insignificant.

« **Aleksey Romanchuk, Moldova**, senior lecturer at the Higher Anthropological School University: *‘Vladimir Putin was not only an undisputed leap forward from the hard times of Yeltsin; he is also Russia’s current highly incoherent position.’*

« **Wendi Boxx, USA**, instructor, Educational Systems and Achievement, Sociological and Economic Conditions of Education, Technische Universität München: *‘Interestingly, the plunge in Putin’s public image was especially astounding. Putin had decent public support and admiration globally, but personally his handling of the Pussy Riot scandal made him (and, by default, Russia) seem totalitarian. To be threatened by those women and retaliate as the country did went a long way to exposing a darker Russian character that seems very “Cold War”.’*

Only Nursultan Nazarbayev got undisputed laurels.

When assessing the influence of any political leader on a country’s success and development, it is necessary to take into account the historical era through which the world is living. The series of revolutions, wars and re-divisions of the world in the 20th Century brought to life a whole galaxy of colourful new leaders, not all of whom brought good to mankind.

These days one often hears complaints about weak political leadership. A multitude of analysts and commentators see this as one of the main obstacles to overcoming the consequences of the global crisis. However, the strength of a leader lies not in the resonance of his political moves: after all, it is sometimes far wiser to stay silent than to make inflammatory speeches from the balcony of the presidential palace or the top of a tank. A balanced assessment of a politician’s activity is only possible from a historical perspective, after time has passed. A leader’s value is ultimately determined not by the brightness of the trail he leaves in history, but by the degree to which his country’s development corresponds to the vector of general civilizational development.

Let us recall the eternal words of King Solomon from the Book of Ecclesiastes: ‘There is a time for everything and a season for every activity under the heavens: a time to be born and a time to die,

a time to plant and a time to uproot, a time to kill and a time to heal, a time to tear down and a time to build, a time to weep and a time to laugh, a time to mourn and a time to dance, a time to scatter stones and a time to gather them, a time to embrace and a time to refrain from embracing, a time to search and a time to give up, a time to keep and a time to throw away, a time to tear and a time to mend, a time to be silent and a time to speak, a time to love and a time to hate, a time for war and a time for peace.'

In the end, the greatness of a leader is determined by the understanding of his time.

CONCLUSION. AN OPEN MODEL OF DEVELOPMENT

1. TRAJECTORY OF PROGRESS

The global economic crisis and geopolitical cataclysms of recent years have undermined humanity's faith in progress: it is no longer viewed as a given as it was in the 20th Century.

- Progress is ceasing to be a linear process: more and more people are becoming convinced that the next generation will live less well than the current generation.
- Progress is being localized in a new way – in 'hotbeds of development' – and it is not spreading automatically from the centre (the advanced powers) to the periphery (developing countries). The initiative of development is passing ever more away from the old civilizational centres (Europe, the USA, etc.) to new hotbeds in the developing world, primarily Asia. At the same time, whole enclaves of the world are stuck in stagnation lasting many years or even degradation (economic, political and social).
- Attempts to accelerate countries' development via 'revolutionary leaps' or the direct transfer of 'democratic principles' have failed, sometimes catastrophically.
- Progress in the 21st Century is no longer seen merely as economic or technocratic growth. Human capital is becoming the main factor in development. A motivated and highly professional labour force is a country's engine for development.
- Progress does not come about by purely market methods. The state's will and the mobilized state of the nation are becoming very important factors.

It is therefore not surprising that the developing world, which is gradually becoming the centre of power and real economic growth, has much greater faith in the triumph of progress. It is symptomatic that the world is viewed most pessimistically in the post-Soviet states.

It is highly likely that the global economy has reached another turning point similar to the eve of the industrial revolution, when the resources of manual labour were exhausted. As yet, no-one can see beyond the limits of the current development paradigm, but it already seems clear that the most successful strategy for newly industrialized countries may be to work ahead of the curve rather than simply catching up and copying development.

2. THE AGE OF CONTRADICTIONS

Analysis of the views of the international expert community suggests the following conclusion: a new 'age of contradictions' awaits us. The coming 30–40 years will be a period of a global battle of interests, clashing trends and exacerbation of all problems.

The economic crisis and continuing recession do not remove the shortcomings of the international financial system and systems for managing national economies from the current agenda. However, other challenges are coming to the fore in the run-up to 2050.

The redrawing of spheres of influence in the world will be a sign of the times. The coming geopolitical shifts will lead to a noticeable change in the balance between various centres of global might: a number of developing countries will manage to shoot ahead and even join the developed economies. Meanwhile, some traditional leaders from among the 'golden billion' are going to lose their positions. The processes of globalization will continue but they will be accompanied by ubiquitous growth in nationalistic sentiments and the growing strength of an Islamic identity in a substantial part of the developing world.

Furthermore, the global re-division of the world will take place against the backdrop of the main challenge of these times: the increasing deficit of natural resources – hydrocarbons (above all), drinking water and food. Partly because of this deficit and the intensifying battle for access to resources, the world will gradually but steadily move towards ceasing to import hydrocarbons from oil- and gas-producing countries.

Another important challenge for mankind will be global environmental problems. Everyone recognises the depth of these problems, but there is no sign that they will be resolved before 2050. Nor are there

signs of a major revolution in the energy sector. This is despite the fact that experts confidently expect breakthrough technological solutions to emerge in this period, which will be able to change the life of humanity.

Triggers for revolutionary sentiments quickly form in such conditions and the threat of instability is rising in individual countries, as well as whole regions. Peacekeeping forces are needed like never before. However, general expert opinion suggests that the mechanism for peacemaking on the planet requires radical improvement. The experts see no-one – countries, organizations or political leaders – to conduct these changes.

Bridging the gap between the ‘poor’ and the ‘rich’ may be key to achieving stability in the world – creating equal opportunities for growth and development, both among states and among individuals; ensuring easier access to resources (including educational resources) and exporting advanced technologies from the developed world to the developing world. However, the paradigm of the intensifying struggle for resources and spheres of influence casts doubt on such a scenario.

3. FACTORS OF FUTURE COMPETITIVENESS

Access to the latest technologies and the strength of the education system remain decisive factors in a nation’s competitiveness. Contenders to become new leaders may be helped by having natural resource wealth, demographic potential or a favourable geographic location, but these conditions will not decide the outcome of the battle for geopolitical and economic leadership.

However the constant ‘success formula’ of advanced technology plus human capital is supplemented by another variable which the global expert community considers very important. It can generally be described as ‘the effectiveness of state management’, as it concerns long-term state planning, a strong role for the state in supporting competition and a highly responsible national elite. The importance of these factors for the post-Soviet countries is skyrocketing.

Long-term strategic planning seems like a kind of antithesis to the ‘age of contradictions’. Nevertheless, most experts speak of its positive influence on the development of a country and nation. Such strategies:

- are a ‘national set of goals’ which establish priorities and guidance for markets, business and the nation as a whole;
- are a kind of ‘anti-crisis inoculation’, which is confirmed by the experience of various countries in overcoming the consequences of the global economic crisis;
- play a mobilizing role for economies at a transitional stage and countries making a leap forward in their economic development.

Another interesting result of the trends of the new era is the fact that a state’s internal civilizational diversity – ethnic, cultural and religious – is becoming an important resource of development. Mono-ethnic states clearly have the best chances from the point of view of governability. However, multi-ethnic countries are in a more advantageous position in conditions of globalization, with the growing significance of transnational companies and creative industries. This is because new combinations in management, science and creativity emerge at the intersection of different mentalities.

However, this resource can only become a competitive advantage if there is inter-ethnic peace and mutual understanding rather than inter-faith and intercultural conflicts. So far, only a very limited number of multi-ethnic states have managed to achieve this.

4. ANOTHER REVOLUTION

Our research revealed one ‘zone of certainty’ where the opinions and expectations of experts from all corners of the planet coincided completely: the evolutionary path of state development is preferable. Nobody wants revolutions, but they cannot be ruled out.

The term ‘evolution’ is often linked to the concepts of ‘slow development’, ‘stability’ and sometimes even ‘stagnation’. In contrast, revolutions involve a rapid and radical ‘change of decor’ and for this reason they remain quite likely. But ‘another revolution’ is also possible, when the path chosen by a country involves gradual, evolutionary development, supplemented by revolutionary breakthrough

reforms in the economy, politics and society. Examples of countries which have taken such a path are Japan, Taiwan, South Korea and China.

This kind of evolutionary development, capable of producing revolutionary changes, has a number of essential attributes.

The first is the presence of breakthrough infrastructure projects – referring to infrastructure in the broadest sense of the word. It is logical that the IMF report ‘Global Threats 2013’ advises governments not to abandon investment in ‘strategically important infrastructure projects’, as a delay in the battle against current problems will only complicate the search for a solution in future.

It is also logical to think that alternative energy projects could be a highly promising direction for such investment, for both developed and developing countries. It is not just a matter of energy independence, but also being prepared for the new technological order and initiating the incremental growth of new knowledge. This seems doubly pressing for countries which have their own reserves of hydrocarbons, as diversification of the economy is a necessary condition for survival and prosperity in any future energy landscape. Whatever happens, the development of alternative energy will be an undisputed resource and competitive advantage.

Secondly, revolutionary changes within the framework of evolutionary development are possible given a special quality of state governance, as mentioned above. In this sense, ‘evolution’ in the public-political sphere primarily means ‘consensus’, when the course of development is supported not only by the political and economic elite, but also by the population. It implies a willingness to take risks and make certain sacrifices for the sake of the future.

Finally, the third condition is prioritizing growth in human capital. As incomes decline due to the crisis or a change in conditions, many countries are reducing budget expenditure at the expense of educational programmes or health care. Yet for a country implementing a ‘breakthrough strategy’, such a move would mean an immediate fall in the pace of development.

5. AN OPEN MODEL OF DEVELOPMENT

In the coming ‘age of contradictions’, it does not seem possible to predict the qualitative changes in global practice that will occur in the medium to long term. This greatly complicates the search for a reliable strategy of state development. The most appropriate solution in a radically changing world is to choose a development model that is as open as possible to any changes.

In particular, choosing an ‘open model of development’ implies adopting the ideology of pragmatism. The state needs to be flexibly adaptable to changes in the external world, with the ability to react fast. This means taking optimal management decisions at each point in development, depending on the circumstances. Strategic goals serve as a long-term guide, while progress is ensured in areas where development is predictable.

Another consequence of the open model of development is an unambiguous choice in favour of a secular state, which contains far fewer limits on change and development than a theocratic regime.

Finding a balance between integration into the global world and preserving national identity acquires particular significance, as does a working model of inter-ethnic and inter-faith unity and agreement. In the paradigm of the ‘open model’ of development, this may be a competitive advantage with a highly tangible economic effect. Technology and knowledge are the keys to success, and people are the bearers of the necessary knowledge, abilities and skills. Given the growing global mobility of labour, we can expect ‘Silicon Valleys’ to appear; people will ‘flow’ to wherever they find it comfortable to live and work. Whoever creates conditions that allow people of various nationalities and cultural preferences to coexist in comfort will be able to count on the best professionals.

In the ‘open model’ of development, the topic of meritocracy returns to relevance. The ability to replace the elite by selecting the most competitive people guarantees that new trends and the demands of the times will be constantly followed. Introducing the principles of meritocracy is particularly pressing with regard to elite political recruitment in post-Soviet countries, where

‘generational’ institutions for producing all kinds of managers have not had time to take shape.

The world’s future will be associated with the formation of regional economic clusters – new centres of power. Currently, the optimal model for a country’s foreign policy involves combining two priorities which at first glance seem incompatible: pursuing as many vectors as possible alongside regional integration with near neighbours.

The countries and leaders which manage to fully implement this model will become, among other things, the most likely candidates for the role of mediator-peacemakers in preventing and settling conflicts between states.

6. ASIA AT THE CENTRE OF THE INTRIGUE

A cluster of major economies has now formed in Asia, which has already become one of the world’s centres of economic might. At the same time, many Asian economies which are currently growing rapidly are reaching the end of the catch-up development stage. As in Japan’s case, this carries a risk of a major slowdown in the future pace of growth. Furthermore, the Asian continent is a zone of permanent geopolitical conflicts and shocks, to which no end is in sight.

Nonetheless, the international expert community believes that Asia will keep its status as the most rapidly growing region of the world until 2050. This means the appearance of ‘new Asian tigers’ should be expected in the international arena.

The experts believe that Turkey, Indonesia, Vietnam, Iran and Kazakhstan will become such ‘new tigers’. Turkey and Indonesia have already been enjoying impressive success for a number of years and they are G20 members. Vietnam has also had stable economic growth in recent years. Iran is well-known for its technological achievements. However, the experts named it in the list of ‘new tiger’ contenders with provisos, due to the particularities of Iran’s political regime and the unresolved issues in its relations with the West. According to the research results, Kazakhstan’s situation seems most intriguing – Kazakhstan is near the top of three of our ratings.

Kazakhstan is the only post-Soviet state among the top five contenders for the status of ‘new Asian tiger’. It is also in the list of countries which are not currently in the G20 club, but may enjoy unexpected and considerable success before 2050. In addition, it is the only country besides the major economies which made it into the top-list of states with the most interesting experience of strategic planning.

We see this as evidence of another geopolitical process: the formation of poles of power in a particular region – a region which occupies one sixth of the world’s landmass, the former Soviet Union.

The prerequisites of this process were observed in our first piece of international research over four years ago.¹ At that time, the height of the economic crisis, the contours of a new configuration in the post-Soviet space were delineated. Two centres of attraction, sub-regional influence and competition appeared in addition to Moscow – Kiev and Astana. The three biggest economies in the region displayed three different development models.

Both then and now, Russia and Kazakhstan were seen as the more successful countries. The high ‘achievement rating’ of their heads-of-state serves as indirect confirmation of this. Since then, Ukraine’s position has weakened while Kazakhstan’s has clearly strengthened – not only in the eyes of our pool of experts, but also in important international rankings. This means that a new pole has in fact formed in the post-Soviet space – a pole with geopolitical ambitions that go beyond the national framework and economic might which makes expansion possible.

Today, Kazakhstan is participating actively in Eurasian integration in the post-Soviet space. At the same time, it is viewed as a likely centre of breakthrough development in wider Asia. As a ‘new tiger’, Kazakhstan could become an engine for development in the Central Asian countries. The main intrigue will surround which axis of cooperation becomes its priority.

¹ *Post-Crisis World Institute report, ‘Post-USSR: Assessing Government Anti-Crisis Actions’, February–March 2009.*

APPENDIX

List of experts who participated in the research

1. Dr ADAMS Christopher, Canada, Rector, St. Paul's College, University of Manitoba, Winnipeg
2. AGEEV Alexander, Russia, Doctor of Economics, Professor, Director General of the Institute for Economic Strategies, R.A.S. Social Sciences Department (INES RAS), President of the Russian Department of the International Futures Research Academy, Head of the Economic and Management Chair at the National Nuclear Research University (MEPHI), Editor-in-Chief of journals 'Economy Strategies' and 'Partnership of Civilizations'
3. Dr AHMAD Hafiz Imtiaz, Pakistan, Independent Researcher and University Professor
4. AKIMOV Alexander, Russia, Doctor of Economics, Head of the Department of Economic Research of the Institute of Oriental Studies of the Russian Academy of Sciences (IOS RAS)
5. ALYMOV Roman, Russia, Historian and Independent Expert
6. AMOROS José Ernesto, Chile, Professor, School of Business and Economics, Universidad del Desarrollo
7. ANDERSON Dennis, USA, Professor and Chairman of Management and IT, St. Francis College
8. ANDERSON Rob, South Africa, Chief Researcher, United Nations Development Programme (UNDP)
9. ANSALONE Gianluca, Italy, Advisor to the President of the Italian Republic
10. ANTIPIN Pavel, Russia, Project Manager at the CROS Public Relations & Public Affairs Company
11. APOKIN Alexander, Russia, Senior Expert, Centre for Macroeconomic Analysis and Short-term Forecasting (CMASF)
12. ARRAK Andres, Estonia, Lecturer of Economics at the Estonian Business School (EBS)
13. AVAGYAN Karine, Switzerland, Research Associate at IMD Business School
14. Dr BARBER Stephen, UK, Reader, London South Bank University
15. BARBER Marcus, Australia, Consulting Director, Think Tank
16. BASILE Giuseppe, Switzerland/Italy, Channel Marketing Manager, Rast & Fischer
17. BELEN VASQUEZ Maira, Argentina, Policy Advisor
18. BELOUSOV Dmitry, Russia, PhD, Head of Discipline at the Centre for Macroeconomic Analysis and Short-term Forecasting (CMASF)
19. BELYY Eduard, Russia, Candidate of Economic Science, Academic Secretary of the Institute of Latin America, Russian Academy of Sciences
20. BENT David, UK, Deputy Director for Sustainable Business, Forum for the Future
21. BERTOCCHI Graziella, Italy, Full Professor of Economics, University of Modena and Reggio Emilia
22. BILAL Ahmed, Pakistan, Senior Economist, Pakistan Institute of Labour Education & Research (PILER)
23. BLANCHARD Jean-Marc F., China, Assistant Dean for International Cooperation and Exchange, Professor and Executive Director, Centre for the Study of Multinational Corporations
24. BLANCO Francisco Luis, Argentina, Director of Blanco Political Consulting
25. BLUM Gustavo Glodes, Brazil, American Chamber of Commerce for Brazil – Curitiba Branch, Corporate & International
26. BOVT Georgy, Russia, Editor-in-Chief of 'Russkiy Mir ru' magazine
27. BOWERS Gerald, UK, General Director of the British Business Club in Ukraine
28. BOXX Wendi, USA, Instructor, Educational Systems and Achievement, Sociological and Economic Conditions of Education, Technische Universität München
29. BOYARKIN Sergei, Russia, Advisor to the Executive Vice-President of Overseas Rusatom
30. BREITERMAN Haim, Israel, Essayist and Philosopher
31. BREZINA Susanne J., Austria, currently a consultant, formerly UNDP, UN Peacekeeping, German Bilateral Cooperation, ICRC and Caritas (NGO)
32. BUIRETTE Olivier, France, Professor in History of International Relations, University of Paris III: Sorbonne Nouvelle
33. BURTIN Christophe, Luxembourg, CEO and Founder of Strategy & Governance (S&G)
34. BURTSEVA Alla, Russia, Commentator of the consolidated editorial board of Moscow Mayor and Moscow Government periodicals

35. CARRILLO Francisco J., Mexico, Director of the Centre for Knowledge Systems (CKS), President of the World Capital Institute (WCI)
36. CHANDRAMOHAN Balaj, India, Visiting Fellow with Future Directions International
37. CHATWAL Kavleen, India, Senior Researcher at the Indian Council for Research on International Economic Relations (ICRIER)
38. CHEREPANOV Andrey, Russia, Director of the 'National Development Project'
39. CHERKASOV Alexander, China, International Studies researcher
40. CHUKSIN Nikolai, Russia, Economist, Writer and Publicist
41. INAR Yusuf, Turkey, President of the International Institute of Strategic Outlook
42. CLEMENTS Michael, New Zealand, Economic Development Specialist and Independent Consultant
43. CORTES-GOMEZ Carlos A., Mexico, Head of the Department of Economic Research D2 and Facilitator for the Global Political Economy course at the Thunderbird School of Global Management, Superior Auditing Institution
44. CRANE Keith, USA, Director, Environment, Energy, Economic Development Program, RAND Corporation
45. DAMIRAS Vassilios, USA, CEO of Geostrategic Forecasting Corporation (GSFC)
46. DE ALMEIDA Paulo Roberto, Brazil, Diplomat and Professor, Ministry of Foreign Affairs and University Centre of Brasilia (UniCeub)
47. DE BONO David, Norway, CEO, e-Lector
48. DE LEEUW VAN WEENEN Joram, Netherlands, CEO, Norax vof
49. DELCOUR Miguel, Netherlands, CEO, Firm in Enterprise
50. DEPRESSO Aumerick, Italy, Professor of International Affairs, University of Milan
51. DERVISHI Avni, Republic of Kosovo, Founder and Rector, Academy for European and Global Strategy
52. DIER Luke, USA, Research and Development Director, Geopolitical Strategy Think Tank
53. DMITRIEV Constantine, Canada, Senior Policy Analyst in the Government of Ontario
54. DO YOUNG Tae, South Korea, Development Manager, NHN
55. DODONOV Vyacheslav, Kazakhstan, Senior Researcher at the Kazakhstan Institute for Strategic Studies under the President of Kazakhstan (KazISS)
56. Dr DOMANICO Fabio, Italy, Economist, European Patent Office
57. DOPAZO Fernando, Argentina, Director of Pensamiento Regional Estrat gico (PENSARES)
58. DOROSH Igor, Ukraine, Junior Research Fellow at the Institute of Transport Systems and Technologies, Ukrainian National Academy of Sciences (ITST NAN) 'Transmag', founder of a website about renewable energy Renewable.com.ua
59. DRIVAS Alexander, Greece, Researcher/Advisory Board, Geostrategic Forecasting Corporation (GSFC)
60. DUDIKHIN Victor, Russia, Associate Professor in the Faculty of Public Administration at the Lomonosov Moscow State University (MSU)
61. DUNNE Petra, Afghanistan, Associate at the Asia Foundation – Kabul Office
62. EL KHOURY Melkar, Lebanon, Independent Researcher in Law, Human Rights and Politics
63. EL-SHAFFEE Ahmed, Egypt, Business Consultant
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We welcome all comments and criticisms

We are interested in all suggestions, observations and developments

We are looking for all new information on the topic under study

We promise to share all information that we gather with society

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