



## **From Global Crisis to "Global Government" US Intelligence: A Review of Global Trends 2025**

**by Andrew G. Marshall  
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### **Introduction**

**The United States' National Intelligence Council has released a report, entitled "Global Trends 2025: A Transformed World". This declassified document is the fourth report of the Global Trends 2025: The National Intelligence Council's 2025 Project,**

The report outlines the paths that current geopolitical and economic trends may reach by the year 2025, in order to guide strategic thinking over the next few decades. The National Intelligence Council describes itself as the US Intelligence Community's "center for midterm and long-term strategic thinking," with the tasks of supporting the Director of National Intelligence, reaching out to non-governmental experts in academia and the private sector and it leads in the effort of providing National Intelligence Estimates.

The report was written with the active participation of not only the US intelligence community, but also numerous think tanks, consulting firms, academic institutions and hundreds of other experts. Among the participating organizations were the Atlantic Council of the United States, the Wilson Center, RAND Corporation, the Brookings Institution, American Enterprise Institute, Texas A&M University, the Council on Foreign Relations and Chatham House in London, which is the British equivalent of the CFR.[1]

Among the many things envisioned in this report to either be completed or under way by 2025 are the formation of a global multipolar international system, the possibility of a return of mercantilism by great powers in which they go to war over dwindling resources, the growth of China as a great world power, the position of India as a strong pole in the new multipolar system, a decline of capitalism in the form of more state-capitalism, exponential population growth in the developing world, continuing instability in Africa, a decline in food availability, partly due to climate change, continued terrorism, the possibility of nuclear war, the emergence of regionalism in the form of strong regional blocks in North America, Europe, and Asia, and the decline of US power and with that, the superiority of the dollar.

### **The Economics of Change**

The discussion of global economics begins with analyzing the potential repercussions of the current global financial crisis. It states that the crisis "is accelerating the global economic rebalancing. Developing countries have been hurt; several, such as Pakistan with its large current account deficit, are at considerable risk. Even those with cash reserves—such as South Korea and Russia—have been severely buffeted; steep rises in unemployment and inflation could trigger widespread political instability and throw emerging powers off course." However, it states, "if China, Russia, and Mideast oil exporters can avoid internal crises," they may be able to buy foreign assets, provide financial assistance to struggling countries and "seed new

regional initiatives.” It says that the biggest change for the West will be “the increase in state power. Western governments now own large swaths of their financial sectors and must manage them, potentially politicizing markets.” It continues in saying that there is a prospect for a new “Bretton Woods,” to “regulate the global economy,” however, “Failure to construct a new all-embracing architecture could lead countries to seek security through competitive monetary policies and new investment barriers, increasing the potential for market segmentation.”[2]

The report states that as a result of the major financial disruptions under-way and those still to come, there is a need to rebalance the global economy. However, “this rebalancing will require long-term efforts to establish a new international system.”[3] It states that major problem to overcome will be a possible backlash against foreign trade and investment by corporations, particularly in “emerging economies,” with the potential of fueling “protectionist forces” in the US; an increasing competition for resources between emerging economies such as Russia, China, India and even Gulf states; a decline in democratization, as the China-model for development becomes attractive to other emerging economies, authoritarian regimes and even “weak democracies frustrated by years of economic underperformance”; the role of Sovereign Wealth Funds (SWFs) in providing more financial assistance to developing countries than the World Bank and IMF, which could lead to “diplomatic realignments and new relationships” between China, Russia, India and Gulf states with the developing world; the loss of the dollar as the “global reserve currency,” as “foreign policy actions might bring exposure to currency shock and higher interest rates for Americans,” and a “move away from the dollar” which would be precipitated by “uncertainties and instabilities in the international financial system.”[4]

The dollar’s decline as a “global reserve currency” will be relegated to “something of a first among equals in a basket of currencies by 2025. This could occur suddenly in the wake of a crisis, or gradually with global rebalancing.”[5]

It states that for the first time in history, the financial landscape will be “genuinely global and multipolar,” and that, “redirection toward regional financial centers could soon spill over into other areas of power.”[6] It states that there is potential for a divide within the West between the US and EU, so long as they continue divergent economic policies, where Europe is more state-centric and with the US as more market-based. However, “the enhanced role of the state in Western economies may also lessen the contrast between the two models.”[7] This enhanced role of the state in economic matters is largely due to the current financial crisis.

## **Latin America**

In outlining Latin America’s path for the next two decades, the report states that many countries will have become middle income powers, however, “those that have embraced populist policies, will lag behind—and some, such as Haiti, will have become even poorer and still less governable.” It says Brazil will become the major power of the region, but that, “efforts to promote South American integration will be realized only in part. Venezuela and Cuba will have some form of vestigial influence in the region in 2025, but their economic problems will limit their appeal.” However, it said that many parts of Latin America will remain among “the world’s most violent areas,” and that, “US influence in the region will diminish somewhat, in part because of Latin America’s broadening economic and commercial relations with Asia, Europe, and other blocs.”[8]

## Europe

In discussing the issue of Muslim immigration into the European Union, the report states that, "Countries with growing numbers of Muslims will experience a rapid shift in ethnic composition, particularly around urban areas, potentially complicating efforts to facilitate assimilation and integration." Further, "the increasing concentration could lead to more tense and unstable situations, such as occurred with the 2005 Paris suburban riots." This mass immigration and reactions of Europeans, among other factors, "are likely to confine many Muslims to low-status, low-wage jobs, deepening ethnic cleavages. Despite a sizeable stratum of integrated Muslims, a growing number—driven by a sense of alienation, grievance, and injustice—are increasingly likely to value separation in areas with Muslim-specific cultural and religious practices." [9]

The report also states that by 2025, Europe "will have made slow progress toward achieving the vision of current leaders and elites: a cohesive, integrated, and influential global actor able to employ independently a full spectrum of political, economic, and military tools in support of European and Western interests and universal ideals. The European Union would need to resolve a perceived democracy gap dividing Brussels from European voters and move past protracted debate about its institutional structures." In other words, the move toward a European superstate will revolve around convincing the public that it is not a threat to democracy or sovereignty.

It further states that Europe should and likely will take in "new members in the Balkans, and perhaps Ukraine and Turkey. However, continued failure to convince skeptical publics of the benefits of deeper economic, political, and social integration and to grasp the nettle of a shrinking and aging population by enacting painful reforms could leave the EU a hobbled giant." [10]

## Russia: Boom or Bust?

The report's focus on Russia stresses two possible scenarios. One in which Russia triumphs as an international player in the new international system, with the "potential to be richer, more powerful, and more self-assured in 2025 if it invests in human capital, expands and diversifies its economy, *and integrates with global markets*. [Emphasis added]" However, Russia could also take another path, where "multiple constraints could limit Russia's ability to achieve its full economic potential," such as a shortfall in energy investment, an underdeveloped banking sector, and crime and corruption. It also points out that a "sustained plunge in global energy prices before Russia has the chance to develop a more diversified economy probably would constrain economic growth." [11] Could this be a veiled threat to Russia to either join into and merge with the international system, which is directed by Western elites, or face a possible economic backlash, perhaps in the form of manipulating oil prices? This strategy has not by any means been unheard of, as a look at the 1973 oil crisis and the lead up to the first Gulf War in 1991 have proven.

In contemplating Russia's likely future, the report states that with a more "proactive and influential foreign policy" Russia could become an "important partner for Western, Asian, and Middle East capitals; and a leading force in opposition to US global dominance." However, it states that, "shared perceptions regarding threats from terrorism and Islamic radicalism could align Russian and Western security policies more tightly." In other words, perhaps increased incidents of terrorist activity in or near Russian territory can force it to align more closely with the West, if only at

first in security integration. It also elaborates on the other potentiality for Russia, saying that it is “impossible to exclude alternative futures such as a nationalistic, authoritarian petro-state or even a full dictatorship.”[12]

## Iran

The report states that there are alternatives with Iran. In one instance, “political and economic reform in addition to a stable investment climate could fundamentally redraw both the way the world perceives the country and also the way in which Iranians view themselves.” This could move Iran away from “decades of being mired in the Arab conflicts of the Middle East.”[13] Or the other option is Iran starts a nuclear arms race, continues to become the object of Western alienation, and may even become unstable and mired in conflict.

## A Post-Petroleum World?

The report states that by 2025 there will likely be a “technological breakthrough that will provide an alternative to oil and gas, but implementation will lag because of the necessary infrastructure costs and need for longer replacement time.” In this instance, it states that “Saudi Arabia will absorb the biggest shock,” and “In Iran, the drop in oil and gas prices will undermine any populist economic policies,” and that, “Incentives to open up to the West in a bid for greater foreign investment, establishing or strengthening ties with Western partners – including the US – will increase.” The report also states that, “Outside the Middle East, Russia will potentially be the biggest loser, particularly if its economy remains heavily tied to energy exports, and could be reduced to middle power status. Venezuela, Bolivia, and other petro-populist regimes could unravel completely, if that has not occurred beforehand because of already growing discontent and decreasing production.”[14] Again, this raises the issue of the manipulation or control of oil prices for political purposes, as the states all likely to be affected negatively by a plunge in oil prices also happen to be the states most at odds with the West, and specifically, the United States.

## Africa: More of the Same

The report starts off by saying that **“Sub-Saharan Africa will remain the most vulnerable region on Earth in terms of economic challenges, population stresses, civil conflict, and political instability. The weakness of states and troubled relations between states and societies probably will slow major improvements in the region’s prospects over the next 20 years unless there is sustained international engagement and, at times, intervention. Southern Africa will continue to be the most stable and promising sub-region politically and economically.”** This seems to suggest that there will be many more cases of **“humanitarian intervention,”** likely under the auspices of a Western dominated international organization, such as the UN.

Further, the region will “continue to be a major supplier of oil, gas, and metals to world markets and increasingly will attract the attention of Asian states seeking access to commodities, including China and India.” However, “Poor economic policies—rooted in patrimonial interests and incomplete economic reform—will likely exacerbate ethnic and religious divides as well as crime and corruption in many countries.”

It also states that there will likely be a democratic “backslide” in the most populous African countries, and that, “the region will be vulnerable to civil conflict and complex forms of interstate conflict—with militaries fragmented along ethnic or other divides, limited control of border areas, and insurgents and criminal groups preying on unarmed civilians in neighboring countries. Central Africa contains the most troubling of these cases, including Congo-Kinshasa, Congo-Brazzaville, Central African Republic, and Chad.”[15]

## **Resurgent Mercantilism and the “Arc of Instability”**

The report states that there is a likely possibility of the resurgence on the world stage of mercantilist foreign policies of great powers, as access to resources becomes more limited. Perceptions of energy scarcity “could lead to interstate conflicts if government leaders deem assured access to energy resources to be essential to maintaining domestic stability and the survival of their regime.” In particular, “Central Asia has become an area of intense international competition for access to energy.”[16]

The report also states that, “The Middle East and North Africa (MENA) will remain a geopolitically significant region in 2025, based on the importance of oil to the world economy and the threat of instability.” It gives a positive and negative scenario. In the positive, where economic growth becomes “rooted and sustained,” regional leaders will ensure stability both economic and political. However, “in a more negative scenario, leaders will fail to prepare their growing populations to participate productively in the global economy, authoritarian regimes will hold tightly to power and become more repressive, and regional conflicts will remain unresolved as population growth strains resources.”

The report elaborates that, “youth bulges, deeply rooted conflicts, and limited economic prospects are likely to keep Palestine, Yemen, Afghanistan, Pakistan, and others in the high-risk category. Spillover from turmoil in these states and potentially others increases the chance that moves elsewhere in the region toward greater prosperity and political stability will be rocky. The success of efforts to manage and resolve regional conflicts and to develop security architectures that help stabilize the region will be a major determinant of the ability of states to grow their economies and pursue political reform.” In other words, expect continued destabilization of the region.

It states of Iran, that its “fractious regime, nationalist identity, and ambivalence toward the United States will make any transition from regional dissenter toward stakeholder perilous and uneven. Although Iran’s aims for regional leadership—including its nuclear ambitions—are unlikely to abate, its regional orientation will have difficulty discounting external and internal pressures for reform.”[17]

In relation to Afghanistan, the report states that, “Western-driven infrastructure, economic assistance, and construction are likely to provide new stakes for local rivalries rather than the basis for a cohesive Western-style economic and social unity.” Further, as “Globalization has made opium Afghanistan’s major cash crop; the country will have difficulty developing alternatives, particularly as long as economic links for trade with Central Asia, Pakistan, and India are not further developed.” It states that sectarian conflicts will continue and increase.

The report describes Pakistan as a “wildcard,” especially in relation to conflict in Afghanistan. It states that its Northwest Frontier Province and tribal areas “will continue to be poorly governed and the source or supporter of cross-border instability.” It states that, “If Pakistan is unable to hold together until 2025, a broader coalescence of Pashtun tribes is likely to emerge and act together to erase the Durand Line,” and fractionalize Pakistan into ethnic divides. Essentially, expect Pakistan to be broken up into ethnically divided countries and territories.

It also stipulates that Iraq will continue to be plagued by sectarian and ethnic conflicts, which will spillover into other countries of the region, as “Iran, Syria, Turkey, and Saudi Arabia will have increasing difficulty staying aloof. An Iraq unable to maintain internal stability could continue to roil the region. If conflict there breaks into civil war, Iraq could continue to provide a strong demonstration of the adverse consequences of sectarianism to other countries in the region.”[18] Put another way, Iraq will collapse into civil war, break up and become an example to the rest of the region regarding what happens to countries that pursue divergent policies from those of the West.

## **Nuclear War**

The report states that there is a likely increase in the risk of a nuclear war, or in the very least, the use of a nuclear weapon by 2025. “Ongoing low-intensity clashes between India and Pakistan continue to raise the specter that such events could escalate to a broader conflict between those nuclear powers.” Further, “The prospect of a nuclear-armed Iran spawning a nuclear arms race in the greater Middle East will bring new security challenges to an already conflict-prone region, particularly in conjunction with the proliferation of long-range missile systems.” The report also brings up the prospect of nuclear terrorism as an increased risk.[19]

## **Terrorism**

The report states that terrorism will by no means disappear from the international stage by 2025. It interestingly postulates that there is a possibility of Al-Qaeda’s influence as a terrorist group greatly diminishing, or all together disappearing, being replaced with new terrorist threats.[20]

It discusses the actions that will likely be pursued by countries in reaction to terrorist threats, saying that many governments will be “expanding domestic security forces, surveillance capabilities, and the employment of special operations-type forces.” Counterterrorism measures will increasingly “involve urban operations as a result of greater urbanization,” and governments “may increasingly erect barricades and fences around their territories to inhibit access. Gated communities will continue to spring up within many societies as elites seek to insulate themselves from domestic threats.”[21] Essentially, expect a continued move towards and internationalization of domestic police state measures to control populations.

## **Global Pandemic**

The report states that there is a distinct possibility of a global pandemic emerging by 2025. In this case, “internal and cross-border tension and conflict will become more likely as nations struggle—with degraded capabilities—to control the movement of populations seeking to avoid infection or maintain access to resources.” It states that such a likely candidate for a pandemic would be the H5N1 avian flu.

It states that in the event of a global pandemic, likely originating in a country such as China, “tens to hundreds of millions of Americans within the US Homeland would become ill and deaths would mount into the tens of millions,” and “Outside the US, critical infrastructure degradation and economic loss on a global scale would result as approximately a third of the worldwide population became ill and hundreds of millions died.”[22]

## **A New International System Is Formed**

In discussing the structure and nature of a new international system, the report states that, “By 2025, nation-states will no longer be the only – and often not the most important – actors on the world stage and the ‘international system’ will have morphed to accommodate the new reality. But the transformation will be incomplete and uneven.”

The report states that under a situation in which there are many poles of power in the world, yet little coordination and cooperation between them all, it would be “unlikely to see an overarching, comprehensive, unitary approach to global governance. Current trends suggest that global governance in 2025 will be a patchwork of overlapping, often ad hoc and fragmented efforts, with shifting coalitions of member nations, international organizations, social movements, NGOs, philanthropic foundations, and companies.” In other words, by 2025, there won’t be an established global government, but rather an acceleration of the processes and mechanisms that have been and currently are underway in efforts to create a world government.

The report also interestingly points out that, “Most of the pressing transnational problems – including climate change, regulation of globalized financial markets, migration, failing states, crime networks, etc. – are unlikely to be effectively resolved by the actions of individual nation-states. *The need for effective global governance will increase faster than existing mechanisms can respond* [Emphasis added].”[23] In other words, due to the growing threat of international problems, which are essentially the result of Western political-economic-intelligence activities and policies, the solution is a move toward international governance, which will be overseen and run by those same Western interests.

In discussing the rise of the emerging powers, particularly China and India, the report observes that their economic progress has been “achieved with an economic model that is at odds with the West’s traditional laissez faire recipe for economic development.” So the question is, “whether the new players – and their alternative approaches – can be melded with the traditional Western ones to form a cohesive international system able to tackle the increasing number of transnational issues.” It continues, saying that “the national interests of the emerging powers are diverse enough, and their dependence on globalization compelling enough, that there appears little chance of an alternative bloc forming among them to directly confront the more established Western order. The existing international organizations – such as the UN, WTO, IMF, and World Bank – may prove sufficiently responsive and adaptive to accommodate the views of emerging powers, but whether the emerging powers will be given – or will want – additional power and responsibilities is a separate question.”[24] So, as the new powers emerge, as a result of Western elite-directed globalization, they will likely merge with the Western controlled world order as opposed to becoming an alternative or opposition force to it.

## **Regionalism**

The report discusses the topic of regionalism in different areas of the world: "Greater Asian integration, if it occurs, could fill the vacuum left by a weakening multilaterally based international order but could also further undermine that order. In the aftermath of the 1997 Asian financial crisis, a remarkable series of pan-Asian ventures—the most significant being ASEAN + 3—began to take root. Although few would argue that an Asian counterpart to the EU is a likely outcome even by 2025, if 1997 is taken as a starting point, Asia arguably has evolved more rapidly over the last decade than the European integration did in its first decade(s)." It further states that, "movement over the next 15 years toward an Asian basket of currencies—if not an Asian currency unit as a third reserve—is more than a theoretical possibility."

The report elaborates on the concept of regionalism, stating that, "Asian regionalism would have global implications, possibly sparking or reinforcing a trend toward three trade and financial clusters that could become quasi-blocs (North America, Europe, and East Asia)." Such blocs "would have implications for the ability to achieve future global World Trade Organization agreements and regional clusters could compete in the setting of trans-regional product standards for IT, biotech, nanotech, intellectual property rights, and other "new economy" products." [25] So these three main regional blocs will make up the initial structure of international governance by 2025, progressing toward the ultimate goal of a global government.

## **The Decline of Democracy**

The report states that with democratization around the world, "advances are likely to slow and globalization will subject many recently democratized countries to increasing social and economic pressures that could undermine liberal institutions." Part of this reasoning is that "the better economic performance of many authoritarian governments could sow doubts among some about democracy as the best form of government. The surveys we consulted indicated that many East Asians put greater emphasis on good management, including increasing standards of livings, than democracy." Of great significance, the report also states that, "even in many well-established democracies, surveys show growing frustration with the current workings of democratic government and questioning among elites over the ability of democratic governments to take the bold actions necessary to deal rapidly and effectively with the growing number of transnational challenges." [26] This is a very important point, as among many "well-established democracies" are the United States, which is already experiencing a massive shift away from democracy. China, which has been able to emerge rapidly as a result of Western-controlled globalization, and which remains authoritarian, can essentially be viewed as a model for the international system being shaped, as democracies take a turn toward authoritarianism and other rising powers choose to pursue development in the same manner. Essentially, the new international system will mark a move away from democracy and towards international authoritarianism.

## **Conclusion**

It is important, when reviewing the above information provided by the report, to understand the perspective of the authors. The US intelligence community worked closely with businesses, prominent academic institutions and powerful think tanks, all of which play extremely significant roles in shaping our current world order. Thus, the perspectives outlined in the report come with an inherent bias, and so it is important to "read in between the lines." The report does NOT state what the

objectives of the US intelligence community, academic institutions, businesses or think tanks will be in this future 2025 scenario, but you can be assured that they will not play backseat roles and merely observe situations. These are among the most powerful players in the international arena, and this vision of 2025 is the world they are shaping.

So when the report suggests the likely fractionalization of Pakistan, they do not say that it is a US objective to do so, but rather that it is a likely possibility that such a scenario will occur. Thus, it is important to comprehend this information with an understanding that those who wrote the report, have been, are currently, and will in all likelihood, continue to be among the most powerful actors shaping the world order and the new international system. They have been behind the great “transnational issues” and are now proposing their “international solutions.”

## Notes

[1] NIC, Global Trends 2025: A Transformed World. The National Intelligence Council’s 2025 Project: November, 2008: Acknowledgements

[2] NIC, Global Trends 2025: A Transformed World. The National Intelligence Council’s 2025 Project: November, 2008: 10

[3] Ibid, 11

[4] Ibid, 11-12

[5] Ibid, 94

[6] Ibid, 12-13

[7] Ibid, 13-14

[8] Ibid, 15

[9] Ibid, 25

[10] Ibid, 32

[11] Ibid, 31

[12] Ibid, 32

[13] Ibid, 36

[14] Ibid, 46

[15] Ibid, 56

[16] Ibid, 63

[17] Ibid, 65

[18] Ibid, 72-73

[19] Ibid, 67

[20] Ibid, 69-70

[21] Ibid, 70-72

[22] Ibid, 75

[23] Ibid, 81

[24] Ibid, 82

[25] Ibid, 83

[26] Ibid, 87

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