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Predictions regarding international actors up to the year 2030



Ministry of Defence
FINLAND



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The purpose of the research project Predictions regarding international actors up to the year 2030 and possible implications for Finland, carried out jointly by the Department of Strategic and Defence Studies at the National Defence University and the Finnish Institute of International Affairs was to provide a foundation for strategic planning by the Ministry of Defence and thereby within the defence forces as such. The Ministry of Defence will make use of its findings as a basis for its strategy for the period up to the year 2030, and particularly for the scenarios to be constructed in connection with this, examining them comprehensively and employing them to update the results of its previous round of strategic studies.

The research has paid particular attention to global aspects of development and the way in which favourable and unfavourable paths of development may affect trends in global change and the fates of crucial actors in international politics over a period extending up to the year 2030. The actors selected for examination are the EU, UN, NATO and OSCE at the level of international organizations, the United States, Russia, Ukraine, Belarus, China, Brazil and India at the level of individual countries, and the Nordic and Baltic states, various parts of Asia, the Caucasus, South America, North Africa, the Middle East and Sub-Saharan Africa at the regional level.

Three scenarios are presented in connection with each actor: the most probable alternative and ones that are more favourable and less favourable than this, and these are then used to evaluate the corresponding repercussions for Finland. As a general observation it may be said that all the organizations, countries and regions can be expected to have either a direct or indirect influence on Finland and its future development, which means that the construction of overall developmental alternatives for the future is a highly complex matter which requires extensive analysis to justify the decisions taken and the alternatives chosen.

This research will provide an excellent basis for strategic planning in the Finnish defence administration up to the year 2030, and the Ministry of Defence wishes to thank the Department of Strategic and Defence Studies at the National Defence University and the Finnish Institute of International Affairs for the work they have done to achieve this.

The principal findings presented in the abstracts at the beginning of this publication will suffice to indicate that Finnish security and defence policy is undergoing a process of revision at the present time, which it is hoped will render it better able to respond flexibly to the challenges of the future. The national defence will remain the main obligation of the Finnish Defence Forces in the future, but the borderline between national and international activities and duties has become more indeterminate in the course of time and can be expected to continue to do so in the years to come. The two dimensions lend support to each other and help to create a single entity in which the defence of our country and participation in international operations support each other perfectly and together emphasize the importance of good, smoothly functioning structures and missions.

Introduction

Abstracts	4
The United States	14
China and East Asia	23
Russia, Belarus and Ukraine	31
South Asia	40
The Caucasus and Central Asia	49
The Middle East and North Africa	59
Sub-Saharan Africa	70
Latin America.....	79
The Nordic and Baltic Countries	90
NATO	98
The European Union	104
The UN and the Governance of Global Security	114
The Organization for Security and Cooperation in Europe	126

Predictions regarding international actors up to the year 2030

Abstracts

1. The United States of America

The world will no longer be a “unipolar” one by 2030, but rather the United States of America will be playing its role of a leading superpower within a multipolar global system. The major factors responsible for this change of status will have been the stalemate reached in Iraq, increased criticism of the unilateral aspects of US policy on the part of its allies, the rise of Russia, and still more prominently of China, and public sector financial difficulties within the USA itself. The US government can be expected to react to these pressures by raising its intervention threshold, setting out in a new manner to construct extensive networks of international understanding and placing increased value on a system of permanent relations with its allies rather than on a “coalition of the willing”. The global war on terrorism will not occupy such a central position in US foreign policy as it does at present, even though international terrorism will still pose a serious threat.

Its technological investments, flexible social and economic structures and expanding population will ensure the US of good economic growth on average, and this will form a foundation for retaining its position of military superiority. On the other hand, the capacities of its allies to join it in conducting conventional warfare will have declined. It will be obliged to reduce its network of international bases but will succeed in maintaining a global presence. Its number of unmanned weapons systems will increase markedly, and there will be a steady growth in the exploitation of precision weapons technology. The nuclear deterrent will preserve its existing role.

In the event of more favourable development than predicted, this “unipolar moment” in US history may persist for longer and decline more slowly than it is reasonable to forecast on current evidence, largely on account of the country’s economic strength and its success in bringing the situations in Iraq and Afghanistan under control. In the event of a turn for the worse, economic problems, the rise of China and Russia and chaos in Iraq could eat away at US power to a greater extent than can be assumed at present.

It can be predicted that Finland will join the US-led NATO alliance some time after 2010 and will adopt policies that lay more stress on transatlantic relations.

2. China and East Asia

It is probable that China will remain unified and relatively stable until 2020. Whether or not China remains stable will hinge upon the ability of its leaders to pursue policies that maintain rapid economic growth. The future role of China in international politics will depend on both China's degree of stability and the way with which the leadership tries to reform the agenda and procedures within international institutions and multilateral forum to better suit China's interests. The main factors likely to slow down economic growth are social unrest due to growing inequality and unfairness within society, the limitations of electricity generation capacity, environmental degradation, and ageing of the population. It is likely that China's leaders will pursue a more active role for China in the international arena but will ardently avoid confronting the United States in the period before 2030.

The Korean Peninsula and Taiwan will continue to be potential regional flash-points during the period under scrutiny. In addition China's ambition to become East Asia's major power at some point around or after 2030 presupposes a US withdrawal from the region, which in the late 2020s could cause friction. The manner with which US security interests in East Asia evolve over the next 20 years will provide an indication of how Chinese-American relations are likely to develop beyond the year 2030.

The prognosis is likely to be better than expected if China's rapid economic growth continues and its leaders implement genuine political reforms. A less favourable outcome is likely if Chinese leaders mismanage an unforeseen crisis, especially one related to health. In the event that the middle class decides to oppose the present leadership together with unemployed and generally dissatisfied segments of society, years of instability could follow. The impact of China on Finland will filter through the EU, although in the economic sphere political instability would have direct consequences on Finnish companies.

3. Russia, Belarus and Ukraine

By 2030 Russia will be a world power economically, politically and militarily. Its position of authority in the international community will be based on its ability to exploit its vast natural resources. Its aim will obviously be to provide a counterbalance to the US domination of world politics, and with this in mind it will be ready to develop its relations with the EU, China, India and Japan. Its political system will nevertheless possess some of the features of an authoritarian regime.

Russia will look on the expansion of NATO as being contrary to its national interests and will oppose Finnish membership. When Finland does join NATO, however, this will not detract from its relations with Russia in any permanent sense. Increased shipping in the Baltic Sea may heighten tension in the area, but a military conflict

is unlikely, as it would be to the advantage of all the countries and commercial actors in the region to solve the problems by negotiation.

Under an improved scenario Russia would have developed into a democratic civil society operating according to the rule of law, so that it can be regarded as belonging to the community of western nations. As far as Finland is concerned, this would offer above all opportunities for Finnish industries to benefit from the powerful economic growth experienced in Russia. The larger Russian companies can nevertheless be expected to direct their interests towards the more voluminous markets elsewhere.

A less favourable scenario would be one in which the trend in authoritarian government in Russia were to lead eventually to a dictatorship and the internal situation would come to reflect a more powerful dichotomy with the western bloc. The emergence of a dictatorship would be extremely damaging to Finland, which would be forced to prepare to defend its territory against military pressure, and even the possibility of a surprise attack. NATO membership would give Finland some protection against such pressure.

While Belarus will in all probability be still more closely allied with Russia by 2030, two scenarios are possible for the Ukraine. The better alternative would be for it to be successfully integrated with the west and oriented towards membership of the EU and NATO, while the poorer alternative from its own point of view would be for Russia to have strengthened its grip on the predominantly Russian-speaking east of the country, including the Crimean Peninsula. This would effectively split the Ukraine in two: a European-oriented west and a Russian-oriented east.

4. South Asia

South Asian scenarios will mainly be conditioned by India, i.e. her economic and societal development and her relations with other South Asian countries, most notably Pakistan. It is likely that Indian economic growth will continue, but not without heavy foreign and domestic investment in infrastructure and the energy sector. Positive economic development will gradually ease poverty and other societal problems, and other South Asian countries will benefit from Indian success in this respect.

India and Pakistan are likely to find a pragmatic solution to the Kashmir dispute, and similarly India and China should be able to settle their border disputes. Climate change may seriously affect the South Asian communities as storms, floods and other disturbances become more common. The most seriously affected areas will be beside the Bay of Bengal, where large numbers of people are living on relatively low lands close to the coast. The already underdeveloped infrastructure and health care system will be put under heavy strain as people lose their homes and means of livelihood and as epidemics spread.

Positive development in South Asia may be threatened if relations between India and Pakistan turn violent. This could happen on account of domestic unrest in Pakistan if militant Muslims, the Army or tribal fractions seize power from the central government. Alongside the Kashmir dispute, the question of control over Pakistan's nuclear weapons would then be of greater interest. This could in a worst-case scenario result in foreign intervention, by either India or the United States, but even a lesser subcontinental conflict would jeopardize the positive economic and societal development. This could in turn encourage the domestic separatist and radical movements that operate in all South Asian countries.

As many Finnish and other European companies have transferred their businesses to South Asia, any major economic decline or politico-military conflict in the region will negatively affect the Finnish economy.

5. The Caucasus and Central Asia

The legacy of the Soviet Union will no longer determine developments in the Caucasus and Central Asia during this period, but instead security policy in the region will be influenced by all the major powers in the multipolar world. NATO can be expected to expand into Georgia and Azerbaijan, and the United States to shift the focus of its military interests from Eastern Europe to the South Caucasus, while the Shanghai Cooperation Organization (SCO) will strengthen its position in the countries of Central Asia.

Major threats to security in the region are the prospect of a revival of the conflict between Armenia and Azerbaijan over Nagorno-Karabakh, the dispute between Russia and Georgia, internal struggles for power in Central Asia and Azerbaijan and attempts by Islamic extremist movements to seize power. Other risk factors affecting the region are organized crime, terrorism, the competition for water resources and the rapid spread of HIV.

A more favourable scenario than the above would entail continued stability in the region, diversification of the opportunities for energy exports and increased NATO and EU influence, while a less desirable one might involve an outbreak of war between Georgia and Russia, a continuation of the dispute between Armenia and Azerbaijan and the continued dependence of the energy producers in the region on Russia. The risks existing in the region would be communicated to Finland through their impact on the EU and NATO, and continued instability there would also be reflected throughout Europe in an intensification in the spread of drugs and HIV and a substantial flow of refugees.

6. The Middle East and North Africa

The dividing lines in matters of security policy during this period are likely to run more distinctly than ever between Iran and its allies on the one hand and the more “moderate” Arab countries (together with Israel) on the other. North Africa will probably remain more stable all told. The emergence of a multipolar international system will allow the countries of the Middle East to seek military support from different world powers, and it is fairly probable that at least Iran and Saudi-Arabia will have acquired nuclear weapons by 2030. Terrorism will remain more or less a regional phenomenon during this period.

Given a more favourable trend than predicted, it is possible that stability may be maintained in the region and that the most authoritarian of the regimes may revert to a semi-authoritarian mode of government and the semi-authoritarian ones take at least some steps towards democracy. In the worst case the Middle East could become the arena for a new “energy cold war”, the spread of nuclear weapons could get out of hand and the political culture of many of the countries in the region could veer in a more authoritarian direction. The countries of the Middle East and North Africa will not pose any major military threats to Europe, but if integration attempts fail, the flow of immigrants from this region could constitute a significant internal instability factor throughout Europe.

7. Sub-Saharan Africa

Developments in Sub-Saharan Africa during the period in question will depend on the nature of relations between the world powers and on whether African political and military elites are prepared to act genuinely in the best interests of their country or merely to their own advantage. The countries in the southern part of the continent, developing in the wake of South Africa, have the best prospects, while the future is less promising for Central Africa. Organized crime, along with environmental challenges is likely to become a threat to security in East Africa, while otherwise positive development in West Africa can be slowed down by periodic resurgence of internal strife.

A more favourable trend than that predicted here would require a significant financial contributions and political cooperation, thus presupposing some degree of agreement between the world powers to relieve the situation in Africa. Factors that could precipitate a worse course of events could be increased neomercantile competition by the great powers for natural resources, bad local leadership and a decline in the state of the environment, in the worst case a combination of all of these. Threats from Africa would extend to Finland only in situations where they had already become global in scale (e.g. a pandemic). If instability and violence in the region increases the European Union may feel pressure to increase military assistance across the continent, this could lead Finland to neglect some of her

national defence needs on account of the ensuing pressures to participate more extensively in crisis management operations.

8. Latin America

The trends in world politics that are likely to dictate the course of development in Latin America are preservation of the leading role of the United States and the rise of Brazil as a major power on the regional level. The crucial issue will be whether Brazil chooses to strengthen its position as part of the US hegemony in the region or to adopt a more independent role, especially as the latter policy could involve developing its own nuclear deterrent.

Organized crime can be expected to continue to detract from economic development in the region and to disturb the peace within society. In particular the border areas between Brazil, Argentina and Paraguay are likely to remain as one of the nodes of international crime and terrorism. The abundance of natural resources may prove capable of keeping the successors of authoritarian left-wing governments in power in many of these countries over the period examined here.

The most optimistic scenario would be one in which Latin America opens itself up to a freer form of interaction with the west and Brazil abandons its pursuit of nuclear weapons, while the most pessimistic would be a spread of neo-leftist ideology, the postponement of free trade agreements with the west and a new period of insecurity in the region brought about by nuclear armament in Brazil. The situation in Latin America will impinge on Finland largely through the EU's external relations and economic cooperation programmes. The possible entry of Brazil into the nuclear club would have global repercussions by altering the international balance of power.

9. The Nordic and Baltic Countries

One of the biggest issues that the Nordic and Baltic countries face in the coming decades is ageing of the population. This will put pressure on health care and social services, reduce the supply of labour and by and large demand more financial and other resources. An implicit division of labour will take place as the economies become more specialized. Although climate change will increase the frequency and intensity of local storms and floods, its overall effect will be positive for these countries, as plants and forest trees will grow faster and to greater size.

The countries concerned will be members of all the major western political, economic and security/defence organizations by the end of the 2020s and will participate fully in their activities. The financial resources allocated for defence will at best remain at the same relative level, thus increasing the need for economies and the demands for international and regional cooperation. It will not be possible to

sustain any comprehensive national defence capability, and instead burden sharing will take place between the defence forces in the region.

As the energy resources in the North Sea diminish, oil and gas production will be intensified in the Arctic Ocean and Barents Sea areas. If Norway and Russia cannot resolve their open border dispute, this could become, if not the only political, or even military conflict capable of destabilizing Northern Europe, at least the most likely one. Although western organizations would inevitably be involved in any such conflict, the actual confrontation would remain local. For Finland, this would at a minimum call for a firm commitment to western goals and an increase in air surveillance in Lapland.

10. NATO

NATO will retain its role as a political and military alliance with the collective defence of the territories and interests of its member states as its principal purpose. The Fifth Article will continue to be of political and military significance as the major force holding the alliance together, and the United States can be expected to continue to be strongly committed to NATO activities.

The alliance's main duty beyond the provisions of the Fifth Article will be the maintenance of stability in areas of strategic importance, so that crisis management operations in regions outside Europe will strengthen their position as NATO's principal activity. These operations will also involve a civilian component.

It is probable that by 2030 the European members of NATO will have adapted their armed forces to the demands posed by the new threats, since NATO will have become the principal influence shaping the military capabilities of its member states.

Russia's attitude towards NATO can be expected to remain tinged with suspicion until well into the 2020s, on account of the expansion of NATO and the spread of individual military systems into Eastern Europe. Notwithstanding this suspicion, Russia will intensify her cooperation with NATO.

Membership of NATO will be extended during the period in question to include many of the current militarily non-aligned countries of Western Europe, the states of the Western Balkans and such countries as the Ukraine, Georgia and Azerbaijan. Finland will be accepted as a NATO member some time after 2010.

11. The European Union

The EU can be expected to forfeit some of its economic power to the rising actors in the international system but to remain on average reasonably dynamic in terms of economic growth. The principal problems will lie in the demographic structure and rigidity factors in the national economies. Close cooperation with the United States of America will continue. The EU will also have developed its military and civilian crisis management capacities substantially, the focus in the military sphere being on operational command, intelligence, surveillance and strategic air and sea transport capabilities. Its emergence as an entity capable of independent military action will nevertheless be restricted by the continued powerful position of NATO. The EU will not attempt to transform itself into a military alliance but will offset this by acquiring broad-based crisis management facilities and a wide range of modes of operation.

The EU will have expanded by 2030 to include Turkey, Macedonia, Albania and Croatia, in addition to which Serbia, Montenegro, Bosnia-Herzegovina and the newly independent Kosovo may have joined by that time and Norway probably towards the end of the period in question. The pace of integration will have slowed down, however, and the union will have preserved its confederative character and will not have developed into a federal state. The EU will have profited from the general advance in economic globalization, but its dependence on imported sources of energy will have increased its susceptibility to crisis situations. The strengthening of its identity and increase in its authority will open up a new route for the diminution of the role of the nation-states within it: their gradual dissolution under the influence of the EU umbrella organization.

Under a more favourable scenario, both cooperation with NATO and internal integration will advance more powerfully and Turkey will not be admitted to membership, which will foster cohesion within the EU. A less favourable scenario, however, would involve a major decline in the US commitment to Europe, leading to a crisis within NATO. In such circumstances the EU's own military capacity would not suffice to fill the gap and foreign and security policy differences between the member states would be accentuated.

EU membership will prove advantageous for Finland over this period, and membership of NATO could be expected to strengthen the country's role within the EU as well. '

12. The United Nations and global security

As globalization advances the transnational sector is likely to gain in power and the relative role of the United Nations as an organization diminish. The western hegemony will weaken and the transition to a multipolar world system will be reflected in a questioning of the UN's liberal agenda.

The major powers will not be so eager in the coming decades to entrust the leadership of interventions requiring the extensive use of force to the UN, but the organization will retain its powers to grant legitimacy to such interventions. The main targets for UN-led crisis management will be minor wars in developing countries, mostly in Africa, whereas the organization's role in the management of other global problems is likely to be seen most clearly in the creation of frameworks, norms and warning systems, the approval of sanctions and the calling of conflicting parties to the negotiating table.

In a worst-case scenario it is possible that the UN could become polarized internally and be partly replaced by a "concert of democracies" headed by the United States. A more favourable scenario might entail a strengthening of multilateral cooperation, a geographical expansion of the democratization process and the successful accomplishment of a reform of the UN itself. Finland can help to promote the achievement of this latter scenario by lending active support to the EU's UN policy and increasing her contribution to crisis management operations.

13. The Organization for Security and Cooperation in Europe

By 2030 the Organization for Security and Cooperation in Europe (OSCE) will have developed a more sharply defined profile than ever as an instrument for handling internal conflicts within states and "soft" security issues. There will also have been a geographical shift in focus towards the south and east, which will have meant a decline in activity in the western participant countries.

One outstanding feature of this organization's future activity will be continuity. Its existence as an institution will probably not be threatened in any way during this period, and its principal features, most notably its wide membership and undeniable, albeit restricted, usefulness as a multinational forum for discussions and negotiations between a heterogeneous group of participants will guarantee its survival for the next twenty years or so. Similarly it is difficult to conceive of it being ousted entirely by any other global or regional security organization.

On the other hand, one cannot expect the OSCE to increase in importance to any appreciable extent. Although it seems likely to retain at least as comprehensive a participant base as it has at present, the heterogeneous nature of these participants and the consensus principle governing its decisions are apt to detract from its efficiency and prevent any substantial growth in its influence. The OSCE is

destined to prove incapable structurally of emerging as a more powerful actor in the European security system than it is at the moment.

Given a more favourable trend than predicted, the OSCE could gain the status of an international actor accepted by all its participant states and able to command a wider credibility than either NATO or the European Union, for instance. Under less favourable circumstances, however, it is possible that the OSCE could disintegrate completely in the face of worsening disputes between Russia and the western participant states. The various fates of the OSCE are likely to affect Finland most of all through the European Union, as a viable OSCE constitutes a useful forum for encountering states that are not EU members. If the OSCE were to disband because of increased international tension, this would reduce the EU's scope for action in matters of security policy. A more favourable situation than predicted would, on the other hand, mean a distinct increase in activity for Finland and a diversification of its contribution in an OSCE framework, possibly at the expense of activity channelled via the EU.

General situation

By 2030 the world will no longer be a “unipolar” one in the sense in which it has been in the early years of the new millennium, as the unrivalled leading position of the United States will have reached its culmination some 20 years before that date, for a number of reasons. In the first place, the country will have reached an impasse in the war in Iraq, leading to an agonizing and protracted withdrawal from a land embroiled in a civil war at some stage in the second decade of the century. Secondly, the country’s allies will have adopted a distinctly more critical attitude towards the unilateral aspects of US foreign policy. Thirdly, competing major powers will have arisen on the international stage as Russia gains in strength and, most of all, China attains world power status through its continued powerful economic growth; and fourthly, it will have proved impossible for the US to continue on its existing economic path of growth stimulated by indebtedness and large federal budget deficits even for the duration of that second decade, not to mention the period up to 2030. Quite simply, the United States will run out of the sources of finance necessary to support a policy of global dominance that has caused its military expenditure in the latter part of the first decade of the millennium to amount to virtually half of global defence spending. It will be impossible to maintain this position in the long term, either economically or in matters of internal policy or international policy.

The basic aims and underlining factors governing US foreign policy in 2030 will nevertheless be very similar to those prevailing at the present time, although the means of implementation available and the general operative model will have been adapted to the new conditions. The starting point will still be refusal to question the country’s role as the leading world power, and the United States will still possess an utterly unique ability for projecting its military might on a global scale and will be politically prepared to take the necessary decisions. The country will nevertheless have learned something from the above-mentioned challenges to its hegemony and will have reoriented itself in the following respects. Firstly, experiences in Afghanistan, and more particularly in Iraq, will have raised the threshold for future intervention decisions, and any interventions that are undertaken will be better planned, attempts will be made to deploy sufficient forces at the outset and more care will be taken over the follow-up and reconstruction phases. Secondly, the US will attempt to avoid the excesses of its unilateral policies and will

consequently come to place more value on broad international consensus and the role of the United Nations in the management of international crises, and thirdly, the US will pay more serious attention to the creation of a system of permanent alliances constructed in a more functional manner and on the principle of mutual interdependence. The one-sided arrangements represented by the “coalitions of the willing” of the early 2000s will no longer occupy such an important position in the country’s operative thinking. Internal changes within the United States will also favour a foreign policy based on notions of genuine cooperation.

Alliance policies

The war in Iraq will become increasingly embarrassing for the United States and the situation will eventually lead to withdrawal from a country ravaged by civil war some time after 2010. At the same time new, serious challenges to the US capacity to dictate the directions of global security will emerge, factors that will mark out the stages in world politics up to 2030: most notably the persistence of terrorism as a ubiquitous challenge to the western world, the ability of Iran to profit from the problems in Iraq and Afghanistan, and the collapse of North Korea and unification of the Koreas in the 2020s. Iran will succeed in developing a nuclear deterrent in the coming decade and will remain the United States’ main adversary in the Middle East as a whole. This will place a new emphasis within US foreign policy on the question of nuclear proliferation and more generally on that of opposition to the spread of weapons of mass destruction. Perhaps the most serious challenge of all, however, will arise from the emergence of China as a real world power with a GDP comparable to that of the United States by 2030. The picture will then be filled out by the steady rearmament of Russia and its adoption of the role of a strategic challenger to the US, especially on account of its policy with regard to the exportation of arms and sensitive technology.

All these factors will contribute to the points of departure for US alliance policies in the two decades 2010-2030. There will be a revival of respect for permanent alliances institutionalized in a new way and based on durable organizational models. This will mean that NATO will gain in importance within US power politics as a whole and will be reorganized to constitute a genuine global alliance. As part of this reorganization it will develop a new formal treaty system as a means of governance at the global level of activity, a type of PfP plus that advances from this point to reach a new kind of associate member arrangement. This will enable it to bind Japan, South Korea (to be known later simply as Korea), Australia, New Zealand and eventually (with the formation of a separate Palestinian state) Israel to this alliance on a contractual basis. All this will mark a renaissance of alliance structures in US policy to the exclusion of ad hoc arrangements of the “coalitions of the willing” type.

The Middle East and the war on terrorism

The global war on terrorism will not occupy such a central position in United States foreign policy by the end of the period examined here as it still does towards the end of George W. Bush's term of office. One reason for this will lie in the successes achieved and to be achieved in the future as a result of the greater efforts made in this battle: there will be less scope for terrorism than before. A further factor will undoubtedly prove to be the emphasis placed on the war on terrorism by the present administration as a matter of political expediency, which can scarcely be expected to last into the period examined here once there has been a change of administration. It is clear that in this connection the United States will revert to a more cautious line in its intervention policy: it cannot afford another Iraq.

In spite of this, international terrorism linked to Islamic extremism will inevitably continue to be a major threat over the period in question, exacerbated further by the possibilities for networking between factions. This makes it difficult to imagine the Islamic world remaining basically the same from one decade to the next. Cultural tensions between the west and fundamentalist Islam will be a crucial factor in the history of this period.

The targets for Islamic extremist activities may not necessarily be in the United States, however, but the accent may well turn towards Western Europe and Russia. Three factors may be involved in this:

1. Russia and the countries of Western Europe have large Muslim minorities, and also large minorities within these minorities of individuals capable of radicalizing them, whereas this is not so in the United States, which will make security control progressively easier there in this respect.
2. The Islamic extremists will find the secularized values of the Russian and western societies especially alien to them.
3. The US presence in the Middle East will decline over the period 2010-2030, making the home country a less attractive target.

With the collapse of Iraq into confusion, civil war and dissolution as a result of the failure of the US crusade, the Americans are likely to lose their enthusiasm for intervention in the affairs of the region in general in the 2010s. The foundation of a Palestinian state with US support will probably succeed, but the instilling of democracy in the region will drift down the list of American priorities as they realize that the holding of free elections will only lead to victory for their extremist opponents. This has already happened in Lebanon, the Palestinian area and Iraq and is likely to happen there again. It would also happen in Egypt, Saudi-Arabia and Jordan if democratization were to be achieved there.

With the realization that its ideologically loaded foreign policy and its policies of commitment and intervention in excess of its real economic and political resources have led to serious setbacks, the United States can be expected during the period up to 2030 to reorient itself in the direction of a more traditional and realistic foreign policy line. It will, of course, go through the customary swings of the pendulum between these poles as time goes by, and it is highly likely that as the memories of the previous security policy excesses fade there will be new temptations to fall into the same trap. Experiences in Iraq and Afghanistan are nevertheless likely to lead to avoidance of the major risks entailed in an open policy of intervention during the period concerned here, although the United States will not fall into an introverted mood but will continue to pursue an active line geared towards world leadership.

Anti-terrorist activity on a global scale will fit in well with this new, realistic foreign policy, especially since it will involve clandestine and semi-clandestine operations by the authorities in collaboration with other states that feel their security to be threatened. This is not a field that needs by any means to be monopolized by the overt deployment of armed forces. As far as direct military activity from 2010 onwards is concerned, the emphasis for the United States is likely to be on relations with its allies, support for these allies, limited operations and precision strikes.

Economic trends

The considerable investments in technological research and development, the country's flexible social and economic structure and the vitality of its population growth will guarantee the United States a high mean level of economic growth during the period discussed here, and this together with its external alliances will ensure that it remains the principal political and economic force in the world. The serious indebtedness of its public sector, however, will mean that the country will go through an economic crisis in the coming decade, which will lead to reorientation towards a more sustainable economy and help it to learn from the risks entailed in the credit previously granted by China. This phase will be followed by a new long stretch of strong economic growth characteristically powered by the hi-tech sector. The development of hydrogen energy, and more especially fuel cell technology, along with a revival of traditional nuclear energy, will reduce the country's reliance on imported fuels from the record level reached in the 2020s. At the same time these new sources of energy will help to fulfil America's promise to take action against the greenhouse effect by means of new technology rather than trading in emissions. The nanotechnology revolution will be upon us, but it will not succeed in obscuring the threats posed by social inequalities within the United States, global economic risks and the outbreak of regional wars.

Military capacity

The United States will preserve its overwhelming military superiority during this period, although prolongation of the war in Iraq will endanger the implementation of the planned armed forces development programme. No other country will seriously be about to challenge the US in a military sense, and the existing threats will increasingly come to be regarded as resulting from asymmetrical warfare conducted by non-governmental actors.¹

The capacity of the US allies for conducting conventional warfare in collaboration with its troops will nevertheless decline, but partly by deploying special troops and partly with assistance from its allies, the US will be able to increase its indirect influence on regions of interest without too visible a military presence of its own.²

The emphasis will be more firmly than ever on IT warfare rather than the power of arms, with the United States attempting to preserve its technological superiority over the rest of the world, and succeeding in doing so within the period defined here. This will be particularly evident in its control over space and exploitation of its possibilities.

Efforts will be made to develop the network of US military bases. The system of fixed bases that existed during the Cold War will be reduced somewhat, as will the numbers of troops stationed at such bases. Instead the aim in the distribution of bases both on land and at sea will be to enable a rapid global concentration of forces.³ At the same time, the US will continue to maintain a more discreet global military presence, including placement of troops in areas where it has not traditionally been a major actor, as in Africa, for example.

The proportion of unmanned, or at least partially autonomous, weapon systems will increase markedly, even though not all the current targets in this respect will be achieved. The US Congress has already approved a development plan by which a third of all deep strike aircraft will be unmanned by 2010 and a third of all combat vehicles by 2015.⁴

Ground forces

The US Army will have about 500,000 soldiers on active service and about the same number of reserves, while the Marines will amount to about 175,000 on active service and 40,000 reserves. Special troops will be increased in numbers substantially. The tasks assigned to the ground forces will resemble those carried out at present

1 QDR 2006, p. 3.

2 QDR 2006, p. 11.

3 QDR 2006, Preface, p. v.

4 Max Boot, "War made new", Gotham Books, October 2006, p. 442.

by special forces. Operations will involve small detachments located in areas that are new to them geographically and culturally.⁵

Development of the ground forces will be retarded on account of cuts in military expenditure and the need to direct funding to operations already in progress at the present time, so that not all of the basic ground forces will be equipped in the desired manner by 2030.

Naval forces

The main function of the US Navy will continue to be the defence of strategic sea connections. A large proportion of its vessels will be stationed in the Pacific Ocean, which will still constitute the most significant route for US trade.⁶ The number of vessels will be reduced, but this will be compensated for by speed, firepower and organizational changes, marking a progression from massive fleets of warships to highly mobile maritime strike forces.⁷ By 2030 the United States will have 11 carrier battle groups, 6 of which will be on continuous alert at any one time. The total number of naval vessels will be about 300. This will mean that the US will remain the world's leading naval power.

Airborne forces

The US Air Force will be developed to operate over a longer range than at present and more effectively (acquiring more reconnaissance information or carrying more firepower). A large proportion of its firepower will be in the form of precision strike weapons. Stealth technology and the use of unmanned aircraft will enable operations to be extended deep into enemy territory. Unmanned craft will account for almost 45% of the air force's long-distance strike power. Satellites will continue to be used for intelligence purposes, for pinpointing targets and for the control of precision weapons.⁸ The United States air force will still be stronger than the air force of any potential adversary in 2030.

Nuclear deterrent

The United States will retain its nuclear deterrent as an important element in its defence system. The outdated material in its nuclear arsenal will have been replaced with modern products by 2030.

5 QDR 2006, p. 42.

6 QDR 2006, p. 47.

7 QDR 2006, p. 48. For more on this topic, see <http://www.globalsecurity.org/military/ops/frp.htm> and <http://www.gao.gov/new.items/d0684.pdf>

8 QDR 2006, pp. 45-46.

A more favourable scenario

A course of development that is more favourable to the United States than the above may arise from the combined effects of a number of factors causing the “unipolar moment” of United States domination to last longer and draw to an end more slowly than it is reasonable to predict at the present time. These factors would be:

- that the US economy proves to be so dynamic that it helps the country to overcome the instability problems created by its public sector deficit and enter a situation in which a new equilibrium can be attained. This would be greatly assisted by more favourable outcomes of the wars in Iraq and Afghanistan, leading to savings in military expenditure.
- that it proves possible to carry out the development plans for the various branches of the armed forces in their entirety. Prompt resolution of the situations in Iraq and Afghanistan would enable more resources to be channelled into research and development projects and material acquisitions.
- that the Chinese economy fails to remain on the spectacular growth course that it seems to be following at the moment.
- that control can be established over Iraq and Afghanistan, on account of which, along with other factors, the United States will gain new respect.
- that a substantial decline takes place in Islamic extremism.

A less favourable scenario

A less favourable scenario than that predicted above would be one in which further public sector balance of payments problems were to accumulate, the wars on various fronts were to continue to consume vital resources and the country were to drift into a protracted economic crisis in which the dollar weakened in value and China began the systematic sale of its American debentures. This would precipitate a serious pensions and health insurance crisis, as one in 20 of all Americans would be over the age of 80 years by 2030.

The war in Iraq will in any case have extensive destabilizing effects on the Middle East, giving rise to a cycle of violence, and linked with this would probably be an increase in aggression on the part of Iran, involving the acquisition of nuclear weapons and active attempts at territorial expansion. If at the same time the US were to fail to bring the situation in Afghanistan under control, it would have to commit increasingly more resources to futile efforts in the Middle East and South-East Asia and stretch its own capacity for absorbing defeats to the limit.

The disappointments in Iraq and Afghanistan and the federal budgetary crisis would lead to major cuts in expenditure on the armed forces. The materials that had been expended would not be replaced with technically better materials, or

even with the equivalent, and the sharp reduction in the numbers of vessels available to the Navy and aircraft for the Air Force would mean a major decline in the country's military capacity. The main task of the armed forces would be to defend the homeland against the rising threats from Russia and China.

The situation would be still worse if these two trends were to occur simultaneously, giving rise to a cumulative, protracted spiral of problems. This would detract greatly from the United States' esteem in the eyes of the rest of the world, its relations with its allies and the country's ability to keep its international opponents, real or potential, under control. It is even possible that in such a situation Russia and China could discover each other in quite a new sense.

Other circumstances under which the prognosis could be worse than that set out above would be if technological advances were unable to come to the aid of the US economy and reduce its dependence on oil to the expected extent, or if warming of the climate were to cause very much more serious problems for the United States and parts of the world economy that are essential to its interests than were envisaged above.

Implications for Finland

This position of power occupied by the United States in the world is expected to decline over the period examined here to the extent that the world order by 2030 will have become a multipolar one, although the US will still be the leading world power and reign supreme as far as projection of its military might is concerned. It will be vitally important for Finland to have good relations with such a country, and these are expected to evolve to a new level over the period in question, largely in response to Finland joining NATO some time after 2010. This will help her to adopt policies that emphasize the importance of transatlantic relations. This would be a natural choice for Finland, for the same reasons as for the Nordic countries that have already joined: that US interests and its ability to project its military power in the north are an essential geostrategic reality in our security environment.

The United States' overwhelming technological superiority will steer the development of that country's armed forces on a global scale. The latest technology will continue to be too expensive for Finland, but technology that has reached the mass production stage will have become relatively cheap, and this would allow the acquisition and maintenance of long-range weaponry and a high-precision strike capacity, especially as a NATO member.

A more favourable course of events than predicted for the United States would in no way be contrary to Finnish interests, but rather Finland would benefit from any strengthening of the world order that were to take place under American leadership, provided it was not characterized by any form of ill-considered inter-

vention policy. Conversely, a less favourable course of events for the US would not be to Finland's advantage, either, because Finland would be among those who suffered from the resulting instability, problems in NATO and risks arising from an increase in the relative strength of Russia. The general aims of US foreign policy would be constructive as far as Finland's interests are concerned, on the assumption that the country will have learned from the catastrophe in Iraq and will be prepared to learn more.

The rise of China during a period of twenty or so years has dramatically altered the economic and political power balance in East Asia and throughout Asia at large. Two major questions arise:

- 1 How long can China maintain its present pace of economic growth?

This is an important question, because social stability in the People's Republic of China depends to a great extent on continued economic growth and the consequent rise in living standards. If the economy does not grow, there is a risk that social tensions within society will escalate and possibly lead to political instability.

- 2 What are China's priorities in the international community?

It is essential for other countries to gain an understanding of China's intentions in the international community. Will China seek to alter the rules of interaction in the international arena or will it be content to abide by existing international norms? It is already evident that a revitalized China will bring about changes in the realm of international relations simply by virtue of its size, but it is still too early to assess how that change will come about and how far-reaching the changes might be.

The most probable course of development

The following factors appear to be decisive when examining the most probable course of developments in East Asia up to the year 2030:

- China's ability to control tensions within its own society and to deal with unpredictable crises.
- The desire and ability of China and Taiwan to resolve their differences over the future political status of Taiwan.
- Possible internal stability in North Korea and the willingness of outsiders to tolerate Pyongyang's aspirations to develop nuclear weapons.
- The direction that views in Washington DC evolve toward United States' security interests in East Asia.
- The way that relations between China and Japan evolve.

The unforeseen crises referred to earlier could include a serious epidemic comparable to the Sars outbreak in 2004 or a natural disaster on par with the tsunami of 2005. The Chinese leadership has proved weak in responding to crises, a point that will be discussed later.

It is probable that China will remain stable up to 2030, if stability implies a politically united country in which for the most part peaceful conditions prevail in society. It is not likely that China will break up into smaller units. However it is probable that economic growth will not continue for the next twenty years at the present rate of around 10% per annum. Present forecasts of the future economic strength of China and the country's significance in the global economy 20 years from now could therefore be exaggerated. There are many reasons why a slowdown in economic growth is probable, the main ones being possible social unrest, shortages in electricity supply, increasing pensions and health costs due to the ageing population, and the effects of environmental pollution on human health and the area of cultivable land. These will be discussed briefly below.

Chinese society will encounter outbreaks of serious social unrest from time to time during the latter part of the present decade and in the coming two decades, and these will have indirect effects on economic growth. This unrest may take the form of demonstrations against social injustices such as official corruption, unpaid wages and pensions, and arbitrary confiscation of farmers' land, or the effects of pollution on human health. Demonstrations may turn into uncontrollable riots on occasion, or general protests against the Communist Party regime, at which point the authorities will probably resort to force to restore order. It is also likely that they will continue to employ severe disciplinary measures of the kind prevalent today in order to prevent the rise of protest movements either nationally or locally. No opposition parties will be permitted, and anyone who objects in public to the Communist Party monopoly on power will be imprisoned, sent to a labour camp or executed. It is highly unlikely that the Communist Party leaders will genuinely open the political decision-making process up to broader sections of the population because they are afraid of losing their own monopoly on power. The Soviet Union example haunts them. They will continue to implement superficial and half-hearted political reforms while still concentrating all power within the party.

As long as economic growth continues one can assume that the middle class will increase in size. And as long as the interests of the middle class and the wealthy are not threatened, the majority of these privileged sectors of society will not regard it as expedient to join forces with the dissatisfied sectors of the population and rise in opposition to the ruling Party. The closest allies of the Communist Party are the middle-class and affluent citizens because they have benefited most from the reform policies. In contrast to the situation in other East Asian societies that have undergone rapid democratization in recent decades, e.g. South Korea and Taiwan,

the middle class in the People's Republic of China will not be inclined to join in any popular movement demanding genuine democratisation. The majority of middle class citizens fear that democracy would shift the balance of power towards the large and generally poorly educated rural population and lead to chaos.

The continuation of economic growth in China will in part depend on the state of the global economy and the ability of Chinese officials to implement many necessary structural reforms, but it will also crucially depend on the country's ability to generate sufficient electricity. Much has been written in the media recently about Chinese efforts to secure energy supplies from abroad and about the repercussions for the worldwide oil market, but less attention has been paid to China's need to build new power stations. It has been estimated that if economic growth is to continue at its present pace, China will have to quadruple its electricity generation capacity by 2030, from 360 GW to 1220 GW, which is calculated to require investments of two trillion US dollars over the next 20–25 years.⁹ Bearing in mind the huge sums of money required for other purposes, it is unrealistic to think of investments of this magnitude in electric power. Thus it is probable that economic growth will not be able to continue at its present rate simply on account of a shortage of energy.

Other factors that are expected to slow down the rate of economic growth over the coming 25 years include the effects of both serious environmental problems and ageing of the population on productivity. Even today environmental damage is estimated to be costing China a sum equivalent to 10% of GDP. Eight million hectares of arable land have been lost in ten years on account of pollution, and a further 200,000–300,000 hectares are still being lost each year. In addition water pollution is an even greater problem.¹⁰ The ageing of the population will also affect productivity in time, as the proportion of people over the age of 65 years in 2025 will be three times what it is now, 21% as compared with 7% of the population, which will demand substantial social expenditure.

It is by no means a foregone conclusion that the leaders in Beijing and Taipei will be able to reach agreement by 2030 over the eventual political status of Taiwan, although it is probable that they will begin to discuss the issue in earnest over the coming two decades. An armed confrontation will probably be avoided, even though relations may be severely strained from time to time. This unresolved issue will remain a thorn in Chinese-American relations.

Negotiations over the alleged North Korean nuclear weapons programme may well drag on for years without achieving any definitive confirmation of whether North Korea is capable of building a nuclear bomb or not. The collapse of the state of North Korea within the next two decades is highly probable. Worsening famine will drive parts of the North Korean population over the borders into north-east-

9 The New Global Puzzle, pp. 156-157.

10 The New Global Puzzle, p. 83.

ern China and even into South Korea, and it is likely that Kim Jong-il will be ousted from forces within the military at some stage. This will momentarily create tensions throughout East Asia, but military confrontation is unlikely. On the other hand, the vast streams of refugees will create problems for the economies of South Korea and north-eastern China. Once a new leadership has been established in North Korea, the gradual process of opening up the isolated country to the outside world will begin. The Koreas will take the first steps towards reunification, although this is not expected to be achieved within twenty years.

China's increasing military might will pose a challenge for the United States. The way in which the American leadership reacts to the challenge over the next 20 years or so will be indicative and to a great extent decisive with respect to developments after 2030. Beijing can be expected to continue its present policies towards the United States up to 2030, or at least into the late 2020s. This means that Beijing will make every effort to maintain good relations between the two countries and to avoid confrontation with the US – other than on the issue of Taiwan, which Beijing will continue to be regarded as a matter of vital national interest. China will also tolerate (or, according to some analysts, advocate) the presence of American troops in East Asia, as this will help to maintain stability in the region, but it is quite possible that some time after 2030 Beijing will become convinced that China can alone control the situation in the region and will call on the US to withdraw its troops. The manner in which this dilemma is resolved will depend very much on the relationship that has been built up between the two major powers by that time.

Trends in relations between China and the United States over the next two decades will remain as ambivalent as they today. On the one hand, economic integration will continue to deepen and the two countries will benefit more than ever from mutual cooperation in their efforts to resolve numerous international issues. But, on the other hand, suspicion of the other's true intentions will increase. There are already mainstream political decision-makers in Washington who are of the opinion that China poses a threat to the United States' national interests and that measures should be taken to curb or even prevent China's rise as a major power. Likewise, there are groups in Beijing that believe that Washington is intent on preventing the modernization of China and that a confrontation on issues such as the Taiwan question is inevitable at some time in the future. It is probable that these groups, which for the moment constitute a minority in both capitals, will not be in a position to dictate their countries' policies, provided that tensions in the Taiwan Strait do not escalate or a serious conflict break out between China and Japan. Such a situation could evolve if a small-scale armed confrontation were to arise over control of the Senkaku/Diaoyu Islands, for instance, which is possible within the next 20 years. Washington's response to such an incident would have a bearing on future relations between China and the United States.

China's relations with Japan are also expected to develop along a dual track during the period up to 2030. The two countries' economic dependence on each other is likely to increase, but so is political friction between them. This is the first time in history that both China and Japan have been strong, and the process of learning to tolerate the other will be a difficult one for both and will involve many decisions which will give rise to nationalistic sentiment. It is probable that with encouragement from the United States the two countries will be able to avoid an open military conflict, at least within the period under examination. Tensions will undoubtedly remain strained between them for the next twenty years, however, partly because Japan will take a number of steps that will make it less dependent on the United States and will begin to openly maintain its own armed forces. (It is quite possible that China's relations with Japan will prove more decisive to the preservation of peace after 2030 than those with the United States.)

China is best described as predominantly a status quo state as far as its international behaviour over the next 20 years is concerned. It will not attempt to bring about any radical alteration in the rules of the international community, but will attempt to incrementally adjust them to a certain extent to its own advantage. It will not challenge the United States openly, although it will always be prepared when the occasion presents itself to make it clear that it does not approve of the emphasis on democratic values in US foreign policy. It will – at least in rhetoric – continue to uphold the principle of non-interference in other countries' internal affairs, and will not willingly acknowledge in public the obvious fact that on the basis of its economic activities alone, e.g. its financial investments and trade relations, it does have an impact on other countries' internal affairs.

Relations with Russia will in all probability remain good on the official level for the next twenty years. Both countries' leaders will find it advantageous to join forces in opposing the dominant role of the US, and both will be in favour of multipolarity in international affairs. China will however oppose provoking Washington, and consequently will be inclined to remain in the shadow of Moscow when determining its stance on matters to which the US may be sensitive. Russia will retain its position as a major supplier of arms to China, but in spite of their apparent strategic partnership, an underlying historical legacy of suspicion will persist in relations between China and Russia.

Relations with Russia may well deteriorate at the very end of the period examined here, or after 2030, although scarcely to the point of an open conflict. Even at present the two countries are unable to reach agreement on issues such as the cooperation that they both need in the energy sector – China's growing energy needs will cause tensions to rise around 2030. There are experts in both Moscow and Beijing who presume that these countries are destined to be enemies in the long term.

A more favourable scenario

The outlook for China in 2030 would be more favourable if China's economic growth were to be sustained at the same level for the next twenty years as it has been for the last twenty. This would mean that the number of people subsisting on less than two dollars a day could be halved from the present figure of 500 million and that 20% of the population would belong to the middle class, as opposed to the current figure of 10%. At this point, following five decades of rapid economic growth, the Chinese leadership might feel sufficiently secure to risk undertaking genuine political reform. If a large proportion of the people were to feel that they were being allowed to participate in the political decision-making process the detrimental effects of social unrest (mentioned in the most probable scenario) would be less pronounced. Gradually, progress towards greater openness in the political sphere would create suitable conditions for more meaningful reforms of democratisation to be carried out in the decade following the period under consideration here.

A more favourable scenario could arise in the event of significant cooperation taking place between China and India. If these two countries that are now experiencing rapid economic growth and whose economies in some respects complement each other were to experience a meeting of minds politically as well as economically, a new international situation would arise. Acting together, China and India could alter the rules of international interaction in a direction that would favour the developing countries, and together these two nations could indeed challenge the hegemony of the United States. However, it is improbable that China and India could politically reach a mutual understanding.

A less favourable scenario

The most probable scenario (as described above) is based on the assumption that in the event of a crisis the Chinese leadership would be able to react in a manner which the interest groups forming the power base of the Communist Party (the middle class and rich) would view as efficient and justified. If the authorities fail to deal with the spread of a serious epidemic or with the aftermath of a major natural disaster, or act in a manner that these vital groupings regard as contrary to their best interests, the middle class could ally themselves with the existing dissatisfied sectors – the underprivileged and unemployed – to oppose the Party. The Sars epidemic of 2004, which posed a threat to the health of the population at large, awoke citizens of the People's Republic of China to the realization that there are indeed situations when all citizens are "in the same boat" irrespective of societal status or level of income.

China has demonstrated its weakness in matters of crisis management on a number of occasions in recent years: the diplomatic crisis between Beijing and Washington following the collision of a Chinese fighter and American EP-3 recon-

naissance aircraft in 2001, the attempt to cover up the serious oil leak in north-eastern China in 2005, and the failure of Chinese foreign policy authorities for days on end to comment on the Chinese military shooting down a weather satellite in January 2007, in addition to the Sars episode. Communication between ministries and government departments is poor. Genuine cooperation between government entities is weak if not non-existent. Moreover, the majority of Chinese authorities continue to think that it is better to do nothing, as at least then you can't be held responsible for making an error. This inability to cope efficiently with crises is a single significant uncertainty factor to be considered when attempting to predict the chances of the country's leadership remaining in power for the next two decades.

If the leadership fails in the eyes of its support groups in the event of a major crisis and is faced with a united opposition representing a broad spectrum of society, bloody clashes between authorities and citizens are bound to follow, leading to a period of instability that could last for several years. Similarly, if the leadership cannot reach unanimous agreement on how to defuse one or more crises, a number of power bases could emerge, leading to a situation in which the possibility of civil war can not be wholly excluded.

Another inevitable feature of a less than favourable scenario would be an armed confrontation in the Taiwan Strait. Since the future status of Taiwan is an extremely sensitive issue on both sides, an event that may seem innocuous at first could escalate into a situation that spins out of control. This would be all the more likely if China's economic growth were to slow down or come to a halt and the Chinese leaders were to attempt to divert the nation's attention away from the internal situation by rallying people to help reunite the motherland.

Implications for Finland

Given the most probable scenario, conditions in China will remain for the most part stable and the country's economic growth will continue, although perhaps not at the same pace as at present. This is important for the Finnish companies that have set up subsidiaries in China or have significant trade relations with China-based companies. From the viewpoint of Finnish companies, the most serious consequence of instability in China would be the negative effects on Chinese production and purchasing power as well as the country's general economic growth.

As a member of the EU, Finland will have to be prepared for and accept the increasing influence of China in the international political arena. China can be expected to, at a minimum, incrementally change the ways international organizations and multilateral forums operate. It is quite possible that by the end of the period examined here relations between the EU and China will be marked by some type of ups and downs as those between the United States and China at present. There are

already signs that the honeymoon in EU-Chinese relations is coming to an end. It will be even more difficult in the coming decades for Finland (or the EU in general) to turn a blind eye to China's close cooperation with and actions in countries known for their blatant infringement of human rights, e.g. Sudan or Myanmar/Burma. Similarly, differences of opinion over corporate responsibility in China, enforcement of copyright infringement as well as tariff and various commercial discrepancies will increasingly come to the fore as sources of friction.

The "more favourable scenario" would mean for Finland that Asia would be able to offer even more lucrative markets for Finnish export products, although it would also mean that Chinese and Indian scientists and engineers would be in a better position to challenge the competitive edge of Finns in the fields of science and technology.

One of the more serious implications of the "less favourable scenario", apart from the economic effects, would be the danger of a major pandemic, a possibility that cannot be overlooked in the light of the poor crisis management capacity of the Chinese authorities and the low standard of health care in rural parts of China.

The geopolitical situation

Russia's international policies are grounded in exploitation of the country's vast size and enormous natural resources, and it is clear that it will retain its position as one of the world's superpowers. The situation as far as the Ukraine and Belarus are concerned will remain somewhat unstable, however. The Ukraine will continue to be beset by nationality problems, but although Russia will support the Russian-speaking population there, it will not be in that country's interests to pursue the conflict to the point of civil war, but rather the governments in Moscow and Kiev will work together to preserve peace. Thus the Ukraine will proceed through all its difficulties towards a western-style democracy while pursuing a foreign policy that strikes a delicate balance between Russia and the European Union. Belarus, on the other hand, will not succeed in adapting to the demands of the international community, on account of economic and other problems, and will ally itself more closely with Russia.

In order to reap the benefits of collaboration with the United States and the European Union, Russia will make a number of commercial concessions, but it will not agree to comply with any western demands that might interfere with its own strategic interests. The Caucasus will continue to pose problems for several decades to come, and this will undermine Russia's position in the international community to some extent. It is probable, in fact, that the government will before long concur with international proposals for resolving the situation in Chechnya, for instance. Meanwhile the situation in Central Asia will transform itself from a question of Russian internal policy into an international issue. Russia will continue to provide support for Iran and will allow the United States a certain amount of scope for action in Central Asia.

Economics

After more than a decade of uncertainty and searching, the Russian economy will begin to develop, on the strength of the high world energy prices, i.e. led forward by the huge state energy monopolies. Stability will have been achieved in the state and other public sector economies by 2010, and the effects of modernization and greater efficiency in the education system will be reflected in society at large by

the second decade of the third millennium, in the form of a pluralistic spirit of enterprise directed initially at internal markets and later at world markets to an increasing degree. This trend will have favourable repercussions for the economies of Russia's neighbours, but political unrest will contribute to continued economic uncertainty in the case of the Ukraine, where serious inflation will detract from the competitiveness of the economy, so that the country will not manage to integrate properly into the global system. Belarus will be plagued by the same problems, but being weaker all round, it will find itself becoming increasingly dependent on Russia, even though it may be able to take advantage of its geographical position as the westernmost of that country's allies.

Substantial changes will take place in Russia, Belarus and the Ukraine with the passing of the present generation. The new generation of citizens will not be so ready to subjugate themselves to an authoritarian government and will demand greater freedoms of expression and economic activity, which will create constant tensions within society. At the same time, in order to gain membership of WTO, Russia will have to alter the structures of its internal and external trade to conform to the standards of the global economy, e.g. by rescinding laws and government decrees that discriminate against foreign companies. This will improve the opportunities for Russians to participate in international cooperation and raise Russia to the status of a major global actor on a par with the United States, the European Union, China, Japan and India by 2030.

Population and demographic trends

The demise of the Soviet Union and the collapse of the economy led to a decline in the population of the Russian Federation from 148 million in 1991 to 145 million in 2002, since when the government has paid attention to this fact and birthrates have begun to rise since 2005. The gradual passage of the post-war boom generation towards mortality age will nevertheless maintain deaths at a higher level than births for some time, so that the decline in population will continue over the period considered here, reaching an estimated figure of approximately 134 million by 2030. One serious problem will be the emptying of population from the northern and eastern regions, as modern Russia is not prepared to continue the subvention policies adopted by the Soviet Union. A similar problem will also be encountered elsewhere, in the unequal relations between urban and rural areas that have arisen as a consequence of decades of policies that have neglected the interests of agriculture and the rural communities. These latter problems will also affect Belarus and the Ukraine.

International relations

By virtue of its determined political attitudes, it will be a wealthy and internationally respected Russia that will take its place among the leading nations of the world by 2030 at the latest. It will not be prepared to accept United States hegemony over world politics and will work together with the other major powers, i.e. Japan, China, India and the EU, to establish a multipolar world order. Its closest ties can be expected to be with the EU, as historical, geographical and economic considerations would favour this. One might very well argue, in fact, that being riddled with conflicts and bereft of any consistent leadership, the EU will offer a promising arena for Russia's more purposeful European policies, in addition to which the dependence of most European countries on Russian energy supplies will form a good foundation on which Moscow can base the pursuance of its own goals.

Russia will have succeeded in improving its international status within a couple of decades to a sufficient extent that it will be regarded as one of the three major powers, alongside the United States and China. Its most serious foreign and security problems will exist in the Caucasus and Central Asia, and the position occupied by Islam internationally, together with the increase in its own Islamic population, will be a constant source of anxiety for its leadership. Thus it will be brought closer to the United States by dint of their common interests with respect to the Islamic world, and by the necessity for pursuing some kind of restraining policy in the case of China.

Military capacity

The Russian armed forces

Russia will be systematically developing its armed forces throughout the period examined here, and they can be expected to have reached a strength of a million men at most by 2030. The core of the force's strike power will consist of a body of some 150,000 contract soldiers representing all branches of the services. The main task of the armed forces will continue to be the defence of the country as a whole, but the most modern and best-trained troops will also be used as a spearhead in the war against terrorism, in rapid deployment operations, for crisis management purposes and to protect the nation's strategic infrastructure and economic interests. Military forces will be at the ready for deployment primarily within the boundaries of Russia itself, but a doctrine will have been accepted by 2030 that also allows regional and global deployment within the framework of the existing arenas of war.

Technological standards in the Russian armed forces have fallen behind developments in the United States, and the majority of their combat equipment consists of earlier weapons systems that have been renovated and modernized. Efforts will be made to bridge the technological gap with the west by producing small quantities of new-generation and high-precision weapons systems of their own that

can also be marketed to their allies and third parties. The structure of the armed forces will differ from that of the armies of the western world in that the Russians will maintain and exercise a relatively large body of reserves, 3-4 million, on account of the vast extent of the country and the retention of the notion of a threat of large-scale war in the official military doctrine.

Ground forces

The ground forces, including air-borne units and mechanized brigades for use as rapid deployment troops and in anti-terrorism operations, will retain their role as the principal branch of the armed services. They will also include troops that are specially trained and equipped for operating under exceptional conditions, e.g. mountain or winter combat. The mechanized brigades will be more heavily armed and will be deployed in cases of border disputes or local hostilities, with fire support from mobile artillery and rocket launcher units, combat helicopters and fighter aircraft.

Navy

The mission of the navy will be to provide support for operations mounted by the ground forces and to protect strategically important sea convoys carrying merchandise or fuels. The main assault power will consist of the nuclear submarines belonging to the Northern Fleet stationed on the Kola Peninsula, in addition to which the navy will have two aircraft carrier squadrons by 2030, one belonging to the Northern Fleet and the other to the Pacific Fleet. These will ensure a Russian presence at the world's principal sources of energy and raw materials and safeguard the country's energy security interests.

Air force

The air force will similarly be intended primarily to support operations conducted by the ground forces. The present main fleet of aircraft will be replaced with fourth and fifth-generation multi-purpose fighters with greatly improved air-to-ground capacities. The majority of the firepower will be provided by remote-controlled precision missiles, and electronic warfare and intelligence systems will also come to occupy an important role in the activities of the air force.

Nuclear weapons and the use of outer space

In the field of nuclear weapons Russia can be expected to bring its sizeable programme for the modernization of its strategic and tactical nuclear weapons to completion, the aim being to achieve a strategic equilibrium with the United States. By

2030 Russia will possess a modern nuclear triad consisting primarily of the silo and vehicle-mounted nuclear warheads belonging to the ground forces. The country's short and medium-range nuclear warheads, ABM defence system and plans for the military exploitation of outer space will remain issues of immediate relevance to the relations between the major world powers throughout the period discussed here, although an agreement will be reached with the United States on the deployment of strategic nuclear weapons as such.

The armed forces of Belarus

The armed forces of Belarus, consisting mainly of mechanized brigades and their support troops, will be integrated with those of Russia by 2030 to the extent that their systems will be fully compatible. The officers will be pro-Russian in outlook and many of them will have been trained in Russian military academies. The parts of the Russian missile defence system installed in Belarus will have been modernized, and along with Kazakhstan, the country will have been incorporated into the missile and air defence system maintained by Russia and its allies.

The Ukrainian armed forces

The Ukrainian armed forces will be better developed than those of Belarus and the majority of their equipment will have been replaced with western equivalents. The officers will be pro-western in disposition and some of them will have been trained under NATO aid agreements. The rented Russian army bases in the Ukraine will continue to be a military bone of contention, the Ukraine wishing to abolish them as they interfere with the country's western orientation, while the Russians will attempt to retain them in order to maintain a presence in that country, to which they believe that they have a historical right.

Implications for Finland

Russia will regard the expansion of NATO as being against its national interests and be distinctly opposed to Finland's membership. This will not damage Finnish-Russian relations in any permanent way, however.

The increase in sea traffic in the Baltic region will heighten tensions there, but there will be no danger of an actual confrontation, as it will be in the interests of all the states and commercial actors in the region to resolve the problems by negotiation.

The stabilization and growth of the Russian economy will benefit the neighbouring countries, and most especially Finland, in many ways, although one detrimental aspect of economic growth will be a dramatic increase in cross-border pol-

lution and other environmental problems. Further increases in transit traffic on land and by sea will create additional problems, and friction between the economies of the two countries will persist for a long time to come on account of problems stemming from cultural differences.

A more favourable scenario

The geopolitical situation

Russia's geopolitical position will be dependent on global trends. Its internal stability will receive support from a rise in world energy and raw material prices, which will increase Russia's export revenues to such an extent that the state will be able to discharge its internal and external obligations without difficulty. This will create suitable conditions for development into a democratic civil society functioning on constitutional principles which is regarded, and regards itself, as belonging to the western community of nations.

Good relations will be maintained with the United States, and the UN and its Security Council will preserve their central position in Russian foreign policy at the global level. The achieving of WTO membership and concluding of a free trade agreement with the European Union in the 2010s will satisfy the needs of the political leadership and the business sector within Russia. The independence of the Baltic States will interfere with relations with the west for a long time to come, but the EU will gradually succeed through a positive political approach in convincing the Russians that they can derive more benefit than inconvenience from these countries being independent and active. The oil and gas pipelines constructed in Soviet times will be repaired, allowing the Baltic States to profit from Russian energy exports, and the Baltic Sea region will become a crucial node in energy flows within northern Europe. Corresponding collaboration with Japan, the Koreas and China over energy supplies in Eastern Siberia and the Far East will provide the basis for fruitful economic cooperation there.

Economics

A stable internal situation and peaceful conditions in the world at large will form a good basis for favourable economic development in Russia, where the economy will diversify after 2010, having continued to be based on energy and raw material exports in the interval 2005–2010. The process of social reform begun in 2005 will be brought to completion in the course of the period studied here, and by 2030, when 38 years have passed since the collapse of the Soviet Union, a new generation of people will have grown up and been educated in Russia who will be able to adapt to the post-industrial information society. Most significant of all will be the

development of a new spirit of enterprise in Russia. The people will have learned to be quick, precise and honest and to aim at high quality in their work. The growing markets in Russia will mean new industrial orders and jobs in the Baltic States and Finland. The most serious problem continuing to affect Russia's economy will be the inequality between the centres and peripheries brought about by the long distances and harsh physical conditions.

Population and demographic trends

The new-found stability and positive economic development will encourage a rise in the birthrate, although the existing population structure will mean that the high mortality experienced among the boom generations of 1945–1960 will keep the overall demographic trend negative for a long while. The population will begin to increase some time after 2010 and will have regained the 140 million mark by 2030. Major qualitative improvements will have been experienced in health care and the social services and in education. The positive demographic trend will reach Belarus and the Ukraine with a lag of a few years.

International relations

A region of high stability will have formed in Eurasia by 2030, led by the EU and Russia. Belarus, which will be allied with Russia, and the independent state of the Ukraine will be engaged in purposeful economic activity aimed at supporting growth.

Military capacity

Given a robust, stable economy, Russia will be able to carry through the reform of its armed forces as planned without financial strain. The armed forces will then be both numerically and qualitatively stronger than before, and Russia will be able to use them as an instrument for its global power politics.

Implications for Finland

Finland will be obliged to take a resurgent Russia into account in its own policies. Although Russia will be opposed to any expansion of NATO, it will be forced to admit that Finnish and Swedish membership have brought greater stability to the Baltic region. The vast Russian markets will offer many opportunities for Finnish business and industry, but the Finnish markets will be miniscule by Russian standards, so that major Russian companies will tend to direct their attentions elsewhere.

A less favourable scenario

The geopolitical situation

On the resignation of Vladimir Putin it is possible that the internal situation within Russia could deteriorate and power revert to a group controlled by the military and the security services. The country would then move further away from democracy and pass through a period of authoritarian government before becoming a dictatorship.

This would mean that Russia would be incapable of integrating into the global economy and would begin to isolate itself. The inhabitants of Kaliningrad would be able to see the Baltic States prospering and would realise that the stiff hand of Moscow was preventing their development. This would lead them to declare independence as a separate Republic of East Prussia. The population of Belarus would follow the example of the Ukrainians and depose the Russian-supported dictator Alexandr Lukashenko in order to move towards a democratic multi-party system. East Prussia, Belarus and the Ukraine would then attempt to integrate themselves politically and economically with the west, which would allow western-led Atlantic forces to penetrate closer than ever to the core areas of Russia.

Economics

The weakening of Russia's geopolitical position would naturally be detrimental to its economy, and the improved economic conditions of President Putin's first term of office would be reversed in the period after 2010. The generally calmer situation in the Middle East would reduce the prices of crude oil and other Russian export commodities, and the state budget would begin to show annual deficits from 2008 onwards. At the same time, the social reforms aimed principally at adapting the country internally to a full market economy, would give rise to social and financial problems. The older generation would regard the government as having betrayed them by taking away their privileges, and the reform of housing and rents would be seen to have led to rising costs and exposure of the housing market in the major cities in particular to domination by the oligarchs. The government would attempt to defuse the situation by increasing the money supply, but this would have the same effect as in the late 1990s: inflation would run out of control and the economy would be paralysed. One constant problem would be a lack of business enterprise, largely on account of the uncertain state of the economy. The consequences of the above would be uncontrollable emigration and rising crime.

Population and demographic trends

Russia would be faced with the problem of a declining population. The birthrate would be dropping and the politically unstable conditions of a country in the grip of an economic crisis would not attract those people who had remained outside Russia on the demise of the Soviet Union to return. At the same time migration abroad would increase. As a result the total population in 2030 would be around 130 million, with an ageing demographic structure, a scarcity of men and women of military service age and a general shortage of labour. This last problem would probably be solved by opening the borders to the Chinese, who would enter the country in such numbers that the ethnic composition of the population of the Far East and Siberia would be drastically altered, leading to racial disturbances of all kinds.

International relations

The deterioration in the situation both within Russia and externally would have wide international repercussions, leading the United States and China to respond accordingly.

Military capacity

Having adopted a defensive pose of rejection with respect to the west, Russia would hold firm to its priorities as far as its re-armament programme was concerned. New equipment would be acquired and the armed forces would be strengthened, but the reforms would not be carried through in their entirety. The role of nuclear weapons would be emphasized as other arms projects remained incomplete, and the exaggerated investments in defence would spell difficulties for other branches of government spending, leading the country into a serious economic crisis.

Implications for Finland

The establishment of a dictatorship in Russia would be disastrous for Finland, which would have to protect its territory against military pressures and even surprise incursions. Such developments would highlight more than ever the security advantages to be gained from NATO membership.

Russia would also become a somewhat unpredictable trading partner, and Finnish firms would find their trade in that direction declining with the general weakening of the economic situation. This would lead to a temporary increase in unemployment in Finland and force its industries to look for export outlets elsewhere. The stream of emigrants from Russia would also cause social problems in Finland.

Predicted development

The direction of development in South Asia will be determined largely by relations between India and Pakistan and the social progress achieved by the countries of the region in general, which will continue to be hampered by the huge populations of these countries, a slackening of the pace of their development, and occurrences of poverty, malnutrition, morbidity, illiteracy, general underdevelopment and both personal and geographical inequality that can be attributed to incompetent government. This will give rise to local conflicts that may flare up from time to time in the form of violent uprisings, opposition to the central government and the suppression of linguistic, religious or other minorities. In India the Congress Party, with Rahul Gandhi as Prime Minister, can be expected to return to power in the next elections and remain in this position until the latter part of the next decade, at which point it will be superseded by the Hindu nationalist parties, supported by a number of smaller groups, so that the 2020s will be marked by a series of administrative crises and changes of government. These will not affect the basic outlines of foreign or security policy, but they may cause sharper divisions within the country and affect its relations with its neighbours.

The Indian economy will continue to grow at a rate of about 6% per year throughout the next decade,¹¹ but the rate will slow down somewhat towards the end of the decade. The country will have become the third largest economy in the world by 2025, stimulated by the low average age of the population, a general innovativeness and a high level of integration into the global economy. The strengthening of the economy will lead to affluence locally, but it will prove difficult to transfer this to broader sectors of the population, so that the mean GDP per capita will remain relatively low. Apart from domestic demand, economic growth will be stimulated by excellent levels of IT, aerospace, biotechnology and service sector knowhow, where the last-mentioned will include the health services. This economic growth will require substantial foreign investments in the development of infrastructure and energy supplies, so that growth will be considerably less marked if these investments are not forthcoming. In order to meet its energy needs, India will invest heavily in increasing the proportion of nuclear energy and domestic fu-

11 Long Term Vision. Strand One, EU ISS, Paris, 2006. On social development in India, see also Sirpa Tenhunen and Minna Säävälä, *Muuttuva Intia*, Edita, Helsinki, 2007.

els, intensify exploration for oil and natural gas deposits of its own and engage in cooperation with its neighbours and other producer countries.¹²

Of the small states in the region, Nepal will prove the most capable of profiting from Indian economic leadership, on account of the long land border between the two countries and their partially similar linguistic and cultural backgrounds. The other countries will be prevented from achieving this by their geographical location or problematic relations with India. Pakistan will be threatened with both political and economic marginalization, which will lead to pressures to improve relations with India in order to share in the spin-off effects of economic growth. On the other hand, opinions will also be put forward within Pakistan to the effect that the country should avoid becoming dependent on India and should strive for closer cooperation with China, the Middle East and the Islamic nations of Central Asia. Opportunities for this will open up with improvements in communications and the increased exploitation of the energy reserves of Central Asia.

The basis of relations between India and Pakistan will continue to be problematical, and there is a danger that the Kashmir question will remain unresolved, which will hamper collaboration in other fields. In any case, even if some kind of pragmatic solution based on partial self-government for Kashmir were to be reached, there would inevitably be discontented factions in both countries and in the Kashmir area itself, and this would entail a danger of increased support for nationalist or religious extremists in both countries, leading in turn to unrest, the active suppression of separatist elements and the persecution of other minorities. It is likely that the Kashmir issue will be brought to the fore from time to time, depending on the aims of the parties involved and the support commanded by them, and on the internal political situation in India and Pakistan.

At the same time, India and Pakistan can be expected to improve their cooperation in certain fields that are of importance to them both. The main aspect from a security point of view will be measures for increasing mutual trust, preventing the nuclear crises that have arisen in the past and avoiding the outbreak of war by accident or on account of misapprehensions.¹³ Transparency and liaison between the armed forces of the two countries will be increased through inspections and supervision systems, and particular attention will have to be paid to maintenance and development of the command structures and security mechanisms attached to the nuclear weapons systems. Both countries will have developed nuclear deterrent systems consisting of land and sea-launched missiles and conventional

12 The New Global Puzzle, EU ISS, Paris, 2006, p. 169.

13 The Declaration of Lahore issued by the two countries in 1999 defines a basis for this. See Confidence Building Measures in South Asia, The Henry L. Stimson Center (<http://www.stimson.org/?SN=SA20011124047>).

airborne bombs,¹⁴ implying a capability for instant retaliation to a first strike by an aggressor. In the field of economic cooperation the energy market will offer the widest scope. A gas pipeline is planned to run from Iran through Pakistan to India by 2020, and if this joint venture materializes, the countries should be engaged together with international investors in designing and constructing another pipeline from Central Asia to India in the course of the 2020s,¹⁵ which would greatly facilitate cross-border cooperation in the region. A third significant field of cooperation will be the promotion of sustainable development and environmental protection. This will focus particularly on the availability of fresh water and cultivable land. It is probable that joint projects in these fields will meet with resistance from time to time, leading to local acts of violence, but this is unlikely to do more than delay their completion slightly.

The countries of South Asia will continue to suffer from anti-government resistance movements inspired by political, economic or cultural demands to which the majorities that are in power are unable or unwilling to find satisfactory solutions. In order to secure its supply of oil from Assam, India will be obliged to suppress rebel movements in the area by force some time after 2010, while the problems for Pakistan will arise out of efforts by the army, the political parties, Islamic extremists, who will have gained a strong foothold, and various powerful regional and ethnic actors to gain access to political power by dubious means. This may lead to a succession of coups or other political crises, giving rise to internal unrest and a strengthening of local actors and precipitating further economic inequality and exacerbating the situation in Kashmir. The nuclear deterrent will nevertheless remain firmly under the control of the army.

Relations between India and the small nations of South Asia will not be based on equality, but instead India will continue to exert economic and commercial pressure on these countries. Relations with Bangladesh will flare up during the next decade as differences of opinion arise over regulation of the flow of the Ganges, an issue that will be complicated by the increase in water volumes caused by the melting of the Himalayan glaciers and the intensified felling of forests and in the longer term by the occurrence of periods of drought. India will also accuse Bangladesh of supporting the mutinous elements in Assam and Uttar Pradesh.

India will reinforce its position as a major global actor and will be playing an established role as such by 2020. This will be partly due to the status as a permanent member of the UN Security Council which it may well have gained by that time, and

14 Current actions being taken by India and Pakistan and published documents point to this conclusion. See, for example, the "Draft Indian Nuclear Doctrine", although this admittedly has no official status (http://www.indianembassy.org/policy/CTBT/nuclear_doctrine_aug_17_1999.html).

15 On the Central and South Asian gas pipeline project, see Ingolf Kiesow, *Energy in Asia. An Outline of Some Strategic Energy Issues in Asia*. The Swedish Defence Research Institute (FOI), Stockholm, 2003.

also to its possession of a nuclear deterrent and a powerful army and the economic and demographic weight that it carries. Its population will come to equal that of China, at about 1.45 billion, by the end of the period examined here,¹⁶ but unlike the situation in China, this will be a predominantly young population. In contrast to its regional role, India will emerge as a highly responsible actor in world politics, taking an active part in international crisis management missions and other work on behalf of peace. One of the aims of this foreign policy will be to ensure the flow of foreign investment required for development purposes, in return for which it will make extensive overseas investments and have close political and commercial ties with countries on all continents. The status that it has gained will provide India with broader scope for action in South Asia, a region which it will have come to regard as its own. It will also strengthen its influence in the republics of Central Asia, in order to secure access to their energy resources and counterbalance the role of China in the region.

The continued good relations between India and Russia will be grounded in the countries' long-term satisfaction with the fruits of their traditional cooperation, increased economic and industrial investments and the need experienced by both for counteracting the influence exercised at various times by either the United States or China. India and Russia will engage in cooperation in the energy sector in Siberia and will both have an interest in the building of a Central Asian gas pipeline. Friction will arise only over the maltreatment of Indian workers in Russia and the Indian political and military presence in the countries of Central Asia, which the Russians will feel to be a case of excessive interference in their own sphere of influence.

India and China will have achieved settlements of their boundary disputes in Arunchal Pradesh and in the Ladakh Range in Kashmir by 2015, and the tightening of China's grasp on Tibet will have pushed the vexed question of India's indirect support for the Tibetan government in exile in Dharamsala, India, into the background. The 15th and 16th Dalai Lamas, chosen partly with the backing of China, will not command the same international respect and support as the 14th Dalai Lama in his time, and this will have been reassuring to the Chinese. India will nevertheless feel itself to be in a state of competition with China on a global scale, as they both scour the same parts of the world for commercial relations and investments, and also for sources of oil, gas and other raw materials. Outside Asia, they will be in competition for influence and markets both in the Middle East and in Africa. India's development of its nuclear weapons triad will lead China to revise its nuclear armament programme and develop a missile-based defence system to protect Beijing, Shanghai and Hong Kong at least.

All the countries of South Asia will aim at close relations with the United States and the European Union, especially as the United States and China will come to

16 Long Term Vision. Strand One, EU ISS, Paris, 2006.

represent for both Pakistan and the smaller nations of the region an opportunity to offset the influence exerted by India. They will receive a considerable amount of direct economic and military support from Washington, but with the warning attached that they should not use these resources to create annoyance in New Delhi. Meanwhile, the United States and India will engage in extensive cooperation in the fields of defence and the arms industry, including the development of surveillance in the Indian Ocean area, intelligence systems, a missile defence system covering South and West Asia and collaboration in the space industry.¹⁷

While India may well resort to economic sanctions and boycotts in order to induce the smaller countries to pursue favourable policies, Pakistan is likely to undergo internal changes and adopt a more radical foreign policy if it does not gain its share of the region's economic growth. This will mean that it will lose its privileged position in US policy and will become a new potential threat rather than a partner on account of its internal instability. Pakistan will continue to aim at preserving its politically and militarily important relations with China and to move closer to Saudi-Arabia economically. The European Union will be an important trading partner for all the countries of the region, and trade in this direction will be assisted by the removal of the restrictive EU customs barriers some time after 2010. The smaller countries will also appeal to the EU for help in resolving instances of internal unrest, within the limits permitted by India.

The new role of India and the increase in the importance of access to energy supplies and sea connections will be reflected in a strengthening of the Indian Navy and its more conspicuous presence in the Indian Ocean, including the mouth of the Persian Gulf and the coast of Africa. The navy will occupy a significant place in the country's overall military strategy. The nuclear deterrent will be maintained partly by submarines equipped with nuclear warheads, and surface vessels will be used to monitor the activities of Pakistan and the presence of US and Chinese naval vessels in the region. The protection of merchant shipping, especially the transport of fuels, from possible interference from other countries, and also from piracy in the Bay of Bengal, will be another important task. India will take part in naval exercises and maritime security operations together with the United States, the European Union and Russia,¹⁸ and may well have a functioning missile and space-based defence system in place by 2020 in response to US and Chinese activities.

The ongoing climatic change is likely to increase the frequency of severe monsoon storms and typhoons in South Asia, and as a vast number of people in the region live on the coast, these storms will cause huge losses in terms of human

17 On existing and future cooperation between India and the United States, see Sumit Ganguly et al. (eds), *US-Indian Strategic Cooperation into the 21st Century*, Routledge, Abingdon, 2006.

18 Cf. the US Thousand Ship Navy collaboration scheme, <http://www.armedforcesjournal.com/2006/12/2336959>.

lives and material damage,¹⁹ and also famine if consecutive rice harvests are lost. These effects will be concentrated most in Bangladesh, Sri Lanka and the Indian states of West Bengal and Orissa. In addition to their direct effects, these storms will cause longer-term epidemics of infectious diseases, and it is conceivable that large numbers of people will try to migrate inland to more favourable areas or leave for places abroad, such as Tibet or Europe, as emigrants or refugees. Meanwhile the warming of the climate will accentuate the process of desertification, which will have the local effect of reducing the incidence of malaria and other insect-borne diseases. There will also be a powerful movement of population into the towns and cities, which together with economic growth will lead to more serious pollution than ever, thereby exerting a still greater strain on the already poorly functioning health services and increasing the reliance of the countries in the region on international aid. It is even possible that a major city with a population running into millions could be devastated by an earthquake in the course of the period considered here, e.g. the city of Kathmandu, which is located on the border between two tectonic plates.

A more favourable scenario

It is possible that India and Pakistan could resolve the Kashmir dispute some time after 2010 by offering the area self-government. This would enable both countries to project themselves as victors in the conflict, which would prevent any unrest and reduce support for the extremist movements in the area itself and elsewhere. India, as a candidate for membership of the Security Council, would no doubt agree to an extensive UN peacekeeping operation in Kashmir, and stability could well have been restored there by 2020.

A solution in Kashmir would also help to improve relations between the countries of the region and expand trade relations, as a consequence of which foreign investments in India and Pakistan would increase and the ensuing economic growth would spill over into the other countries. The South Asian Association for Regional Cooperation (SAARC) could well have developed into an efficiently functioning free trade area by 2020, enabling affluence to spread gradually to broader sectors of the population and thereby reducing social inequalities within the countries and turning support away from the separatist movements. This would improve stability in all the countries concerned and enable Pakistan, for instance, to build up a properly functioning parliamentary system.

These favourable political and economic circumstances would encourage co-operation in security matters, although the armed forces of the various countries would retain their role as instruments of both internal and external security. India and Pakistan could content themselves with a minimal nuclear deterrent, comprising

19 Long Term Vision. Strand One, EU ISS, Paris, 2006.

a number of individual missile units and submarines, so that China would need to do no more than modernize its intercontinental missiles. The navies of both India and Pakistan would be able to take part in international operations in the Indian Ocean to prevent the spread of smuggling, terrorism and weapons of mass destruction.

A less favourable scenario²⁰

The assassination of the Pakistani leader and the ensuing internal strife within Pakistan will drive the country into the hands of the extremists soon after 2010 and incites new unrest in Kashmir, causing militant forces to invade the area. India will threaten Islamabad with war if it does not withdraw its troops and support from Kashmir, and when the latter refuse to do so Indian troops will cross the armistice line and occupy the whole territory. Pakistan, with support from China, will demand withdrawal of the Indian forces. Meanwhile the United States will attempt to pressurize the two sides into a settlement while keeping a careful watch on Pakistan's nuclear capability, sending two aircraft carrier detachments closer to the coast. Once the Indians see that Pakistan is making preparations for using its nuclear weapons, they will begin a pre-emptive strike with conventional forces. This will prove unsuccessful, and the fundamentalist leadership of Pakistan will retaliate by deploying a tactical nuclear weapon against the Indian tank corps in the desert of Rajasthan. As a consequence of this, India will initiate a full-scale offensive and advance through the province of Sindhi to Karachi and towards Islamabad. At the same time the United States forces will begin a pre-emptive strike of their own against the Pakistani nuclear troops to prevent any further use of nuclear weapons on their part.²¹ The United States will issue a severe threat to China, warning it not to intervene in the war or to contemplate any move in the direction of Taiwan, while Russia will distance itself from the war but still expresses political support for India. The war will come to an end after a few weeks with the annihilation of the state of Pakistan. In spite of protests from the United States, India will take control of the territory of Pakistan and impose a central government of its own there. The Islamists and Pakhtun warriors will retreat to the Hindu Kush Mountains to continue their resistance to the new central government, as a result of which the Pakhtun will also be able to assume power in Afghanistan. One economic consequence will be that increasing amounts of opium come to be grown in the region, causing a worsening in the drug situation in Europe, while a serious security consequence for India will be that the

20 This less favourable scenario is constructed in narrative form in order to emphasize the parties involved in the situation in South Asia, the suspicions existing between the countries, the implications of their nuclear deterrents, their internal political, economic and social problems and the ecological vulnerability of the region, all of which could add up to highly dramatic repercussions.

21 The idea of a United States strike is taken from the Pentagon's Asia 2025 scenario report of 2000.

subcontinent's other separatist movements will intensify their activities, so that the country will have to fight on several fronts simultaneously at the same time as its economic and social development is undermined by the general breakdown in order and security. This will induce the affluent southern provinces of Tamil Nadu, Kerala and Karnataka to strive for greater autonomy, leading the central government to direct political, economic and military sanctions against them. Thus the war will have the effect of disabling the economy of the whole of South Asia for a decade and will cause a worldwide recession.

Implications for Finland

Favourable development in South Asia would have the effect of strengthening Finland's position and economy. Finnish companies should be capable of taking advantage of the high level of demand, low production costs and innovative atmosphere in the region, and as growth calls for vigorous development in terms of infrastructure (ports, the road network, communications and the media, and urban infrastructure) and of energy supplies, there should be plenty of opportunities for Finnish knowhow in this market. In order to ensure that growth and the energy economy are on a sound ecological footing, e.g. in relation to climate change, it will be in Finnish interests to become involved in this work.

Economic progress and internal stability go hand in hand, and favourable development in South Asia is likely at the same time to prevent the appearance of major security threats of a kind that could extend to Finland. Apart from the security problems existing between the countries of South Asia, there are also internal problems and a serious danger of environmental disasters, which means that support for the resolving of conflicts between the smaller countries of the region, for instance, and the aid provided for the education of women and the afforestation project in the Himalayas will help to reduce the need for more expensive emergency aid.

Although even a war in South Asia would not have any direct or conventional security repercussions, the situation would politically be a problematic one for Finland if it led to conflicts of interest between the EU, Russia, China and the United States, and this could make it more difficult for the UN to operate, e.g. in its crisis management activities, cause differences of opinion between EU member states and interfere with trading relations. World energy prices would rise and the accessibility of energy resources may be affected, which could have serious economic consequences for Finland.

The implications all told could nevertheless vary from minor to disastrous depending on the extent of the economic recession. At their mildest, they could mean great difficulties for companies that had invested in that region, e.g. in travel, services and information technology, in the form of financial losses and dismissals of

employees, and Finland could suffer particularly badly if the problems were to be reflected elsewhere in Asia and in that way throughout the global economy, for in such a case energy costs would rise, the exchange of goods with India and China would come to a halt and financing would become a problem. Finland and its companies would have to look for alternative markets. Investments in both of the Asian giants would seem a wise and essential precaution in the light of the above predictions, but precisely on account of the security dynamics of the region some eggs ought to be placed in other baskets, e.g. in South America.

Probable developments in the Caucasus and Central Asia up to 2030

The legacy of Soviet times will have very little effect on developments in these two regions towards the end of the period examined here, i.e. in 2025–2030, and they will have reverted from being exclusively parts of the Russian sphere of influence to the status of a buffer zone between two politico-military blocs, the dividing line between which will be marked by the Caspian Sea. The Shanghai Cooperation Organization (SCO), led by China with Russian support, will have developed into a military alliance comprising, in addition to these two, all the states of Central Asia together with Mongolia and possibly Vietnam.²² The Collective Security Treaty Organization (CSTO) will decline in significance in Central Asia shortly after the demise of the CIS, and this will promote the emergence of the SCO, which relies on a balance of power between the two major powers in Asia, China and Russia, as a preferable alliance for the states of Central Asia to the Russian-dominated CSTO or any Chinese equivalent. Kazakhstan in particular, as the main economic driving force in Central Asia, will regard the ability to tip the balance in the SCO as serving its national interests and “multivectorial” foreign policy better than a subordinate role in the CSTO. The latter organization will not disappear from the Eurasian security architecture at once, however, but will persist for some time as a residual bloc comprising Armenia and Russia, possibly together with Belarus and one other individual Central Asian state, most probably Uzbekistan. By the end of the period considered here China’s economic lead over Russia will have grown to such an extent that the latter will be forced to re-evaluate the role of the SCO as the principal guarantor of security in Central Asia and search for a means of countering the increasing influence of China.

Georgia’s substantial per capita contribution to the Iraq and Afghanistan operations will speed up the processing of its application for NATO membership, and

22 The progression of India and Pakistan from observer status to full membership of the SCO will be effectively prevented by the unresolved Kashmir conflict, Russia’s military cooperation with India and China’s similar cooperation with Pakistan, while Iran will not be eligible for membership in the early part of the period discussed here on account of its demands for the destruction of the state of Israel, which are irreconcilable with the SCO principles of anti-extremism. Henry Plater-Zyberk, *Who’s Afraid of the SCO?* Conflict Studies Research Centre, Watchfield, 2007, pp. 6-7.

thanks to US pressure it will be accepted as member as early as 2009,²³ while Azerbaijan will achieve this status a few years later, when NATO takes on the role of an energy defence alliance.²⁴ Given the long-term declining trend in North Sea oil and gas production, NATO, having adopted this new mission, will need the oil and gas reserves of the Caspian Sea to ensure European energy supplies.²⁵ The acceptance of these two new members will mark a departure from the NATO principle of granting membership only to nations that have no unresolved conflicts. The only alliance open to Armenia will be a bilateral defence agreement with security guarantees with Russia. When Russia withdraws from its bases in Georgia, the US will establish bases of its own there and introduce parts of its missile defence system, which will in turn emphasize the value to Russia of its Armenian bases. In Azerbaijan the US will gain access to a naval base and will thereby achieve a military presence in the Caspian Sea. The South Caucasus will then be linked to the security dynamics prevailing between the United States and Iran.

The realization of this course of development will depend on the US capacity to maintain its global network of military bases, the resources that it has available for this and its interests in doing so at a level that will permit the stationing of troops in the South Caucasus (and less probably in Central Asia) in addition to its military commitments elsewhere. The course of relations with the West and countries such as Russia, Belarus, Ukraine and Turkey during the period examined here will crucially affect the opportunities that the US has to shift the emphasis of its military policy from Eastern Europe to places such as the South Caucasus. The starting point for the arguments presented here is the ongoing process by which the US is moving its bases from Western to Eastern Europe. At the third stage in this process, around 2020–2030, the US is expected to move them on from Eastern Europe to the South Caucasus, closer to the Caspian Sea, the oil and gas deposits of the Middle East and potential areas of conflict such as Iran (and China?). Except for Afghanistan, it will prove extremely difficult for the United States to regain a military foothold in Central Asia. Russia will not repeat its post-9/11 “strategic error” that allowed the Americans to take possession of bases in Central Asia “too easily”, nor will China be willing to allow the US to challenge the central security policy role of the SCO in the region. The authoritarian leaders of the Central Asian states will similarly look on the United States and its insistence on the spread of democracy as “a threat to the security of the authoritarian regime”, while the only credible alternative to these authoritarian leaders,

23 “Saakashvili: 2000 Troops in Iraq, at least 100 in Afghanistan”, *Civil Georgia*, 9.3.2007, <http://www.civil.ge/eng/article.php?id=14750>.

24 On NATO and energy, see Judy Demsay, “EU urges an energy pact with Russians – But Poland objects and offers plan that excludes Moscow”, *International Herald Tribune*, 9.3.2006, pp. 1, 10.

25 Country Analysis Briefs – North Sea, Energy Information Administration, January 2007, http://www.eia.doc.gov/emeu/cabs/North_Sea/pdf.pdf

the rise of Islamist groups to power would not make the situation any easier for the Americans. This means that the Western countries will have to muffle their demands for democracy and human rights if they wish to gain influence in Central Asia and secure energy supplies from the region.

The role of the Caucasus and Central Asia as a meeting point for the Turkish, Persian, European/Western, Slavic and Chinese cultures will be strengthened as the legacy of the Soviet period weakens and the significance of the Russian culture and language as a common denominator for the states of the region diminishes. At the same time, these states can be expected to become ethnically more homogeneous as the majority of their Russian population moves back to Russia and the representatives of the various minority nationalities to their own "titular states". On the other hand, migration from the Caucasus and Central Asia to Moscow and other major growth centres in Russia will serve to preserve the importance not only of the Russian language but also of economic and cultural links with Russia.

Population growth will be rapid in the Islamic regions, i.e. in Azerbaijan and Central Asia, where the population is expected to increase from 54 million to 89 million over the period 1994–2025, whereas the populations of Georgia, Armenia and also Kazakhstan will shrink, with a sharp increase in the average age. It is forecasted, for instance, that the population of Armenia will have declined by 15% by 2025, to 2.6 million.²⁶ The huge increase in population in China is likely to create a certain amount of pressure for migration into the sparsely populated areas of Central Asia, while the role of the Islamic culture will be strengthened in both areas. This general population trend will lead to a corresponding demographic upturn in the North Caucasus.

The strategic importance of Central Asia and the South Caucasus as a group of non-Russian oil and gas-producing states that do not belong to OPEC will increase towards the end of the period examined here, given an 85% growth in the global demand for fossil fuels by 2030.²⁷ This dependence on fossil fuels could partly be superseded by the "hydrogen economy" in the future, which could in turn reduce global interest in this region, but as the transfer to this economy will entail vast investments and quite new forms of technology and distribution infrastructure, its effects will probably be felt towards the end of the period examined here at the earliest.²⁸

26 Haroutiun Khachatryan, "Unfavorable Demographic Trends Cloud Armenia's Economic Prospects – Study", Eurasianet.org, 7.3.2005, <http://www.eurasianet.org/departments/business/articles/eav030705.shtml>.

27 World Energy Outlook 2006, International Energy Agency, Paris, 2006, pp. 65-66.

28 Vedyin mahdollisuudet tulevaisuuden energiatuotannossa – Tulevaisuuden vetytalous, Helsinki University of Technology – Laboratory of Advanced Energy Systems, 13.6.2002, <http://www.tkk.fi/Units/AES/projects/renew/fuelcell/vetytulevaisuus/vetytulevaisuus.html>

The relative significance of the region will also grow on account of the fact that the transition economies of the former Soviet bloc (mostly those of Central Asia and the Caucasus) will be able to increase their oil production from two million barrels a day to five million while Russian production is expected to increase from eight to eleven million barrels in the same space of time.²⁹ The dependence of the Caucasus region on energy supplies from Russia will diminish as a consequence of the building of new hydroelectric plants in Georgia, increased production in the Caspian Sea region in the case of both Azerbaijan and Georgia and increased imports of gas and oil from Iran in the case of Armenia. In Central Asia the dependence of the energy-producing countries of Kazakhstan, Uzbekistan and Turkmenistan on the Russian oil and gas pipeline network will diminish (but will not disappear entirely) as new oil and gas pipelines operating independently of Russia are built from Central Asia to China.

The states of the South Caucasus that manage to become involved in “western” energy projects will enjoy larger amounts of foreign investment and development aid, and the resulting inequalities in economic progress will lead to serious discrepancies in development, so that the states that remain outside the strategic energy projects, such as Armenia, will fail to attain their fair share of the advantages of globalization, e.g. economic integration, but will still have to suffer the disadvantages, e.g. terrorism. The differential trends in population and age structure between Armenia and Azerbaijan over the period considered here will alter the regional balance of power in the Caucasus in favour of the latter in both relative and absolute terms, so that the median age of the population of Armenia in 2030 will be 42.2 years as compared with 38.7 years in Azerbaijan.³⁰

Oil and gas production in Azerbaijan is estimated to reach its peak in 2010–2015, and reserves will be exhausted by 2030 unless new deposits are discovered. These substantial reserves will nevertheless enable Azerbaijan to achieve much more rapid economic growth than Armenia in both relative and absolute terms up to 2020,³¹ and to double its defence budget each year up to 2015, a rate of armament with which Armenia will not be able to compete. This will give rise to a qualitative as well as quantitative difference between the two countries’ armed forces, in that

Azerbaijan will be able to buy modern western weapons systems while Armenia will have to be content with older munitions obtained from Russia and its allies. On the other hand, the Armenians will rely on the regional balance of power brought

29 Eero Tamminen, *Maailman energiakysynnän sekä öljyn ja kaasun tuotannon ja kaupan kehitysnäkymiä vuoteen 2030* IEA:n skenaarioiden mukaisesti, Ulkoasiainministeriö, Helsinki, 2006, pp. 18-20.

30 Marija Mamolo and Sergei Scherbov, “Population Projections for non-EU/non-EFTA Countries in Europe”, *European Demographic Research Papers*, 2, 2006, p. 9.

31 On Azerbaijan’s oil incomes, see BP in Azerbaijan Sustainability Report 2005, BP Azerbaijan Strategic Performance Unit, Baku, 2006, pp. 39-40.

about by the possession of missiles, so that it will not be unduly perturbed by its neighbour's superior strength. Even if Azerbaijan were capable of destroying Yerevan ten times over, Armenia would be able to retaliate and destroy Baku once, which in Armenian eyes serves as an adequate deterrent. In addition, Russia's huge income from energy sales would enable its military aid to Armenia, as one of its main allies, to be stepped up should the need arise.

If the Nagorno-Karabakh conflict has not been resolved by around 2015, the risk of a renewal of hostilities will be greatest in the interval 2015–2020 or immediately after that. This is because Azerbaijan's economic lead over Armenia will be most noticeable during that period and the country will also have the advantage of a more youthful population. At the same time, the qualitative effects of Azerbaijan's rearmament drive should be reflected in the relative strengths of the two sides from 2015 onwards, e.g. in such matters as training in the use of sophisticated arms technology. Military tension in the Nagorno-Karabakh area will inevitably increase as a result of Azerbaijan's pugnacious rhetoric, but that country is unlikely to launch a large-scale military offensive as this would endanger the foundation of its economy, its vital oil and gas exports to the West. In addition, Azerbaijan's NATO allies would certainly regard the incident as lying outside their collective defence obligations, whereas Russia would be committed to protecting Armenia under their mutual defence agreement.

The de facto integration of the separatist areas of Georgia, i.e. South Ossetia and Abkhazia, into the Russian Federation will be intensified rapidly upon Georgia joining NATO, and Russia will become the only country in the world to recognise the independence of these two areas, doing so towards the end of Saakashvili's second term as president, in response to heightened nationalism in Georgia and the precedent provided by events in Kosovo. Russian recognition will cause extreme military tension to flare up between Georgia and Russia, but this will not lead to an overt armed confrontation. NATO will find itself in a very tricky situation as its new member, Georgia, will appeal for support but Russia will threaten to cut off gas supplies to Europe via the recently opened Nord Stream gas pipeline if the organization intervenes.

Russia will rely on economic pressures to preserve its influence in the South Caucasus, e.g. by increasing its ownership in strategic sectors of the economy such as energy. The reductions in the dependence of the states of this region on Russian energy supplies towards the end of the period will nevertheless reduce this country's opportunities for exercising such pressure. Meanwhile the economic success achieved by Kazakhstan, and later also by Azerbaijan, will allow them to function as regional growth centres through which oil and gas revenues can be channelled to the poorer countries, particularly Georgia, in the form of investments and loans.³²

32 Joanna Lillis, "Energy Profits Provide Kazakhstan with Foreign-Policy Heft", Eurasianet.org, 18.4.2007, <http://www.eurasianet.org/departments/insight/articles/eav041807a.shtml>.

This will cause worsening friction in relations between Russia and Kazakhstan, leading to a more obvious state of competition between them in the oil and gas sector. Especial points of disagreement will be Kazakhstan's bilateral oil and gas pipeline projects with China and Kazakhstan's participation in oil exports via the Baku-Tbilisi-Ceyhan oil pipeline from 2010-11 onwards.³³ In spite of its vast incomes from the energy sector and increased military spending, Kazakhstan will remain dependent on Russia in matters of military security, especially air defence, at least up to the middle of the period examined here.³⁴

The forthcoming transfer of power away from the present (ageing) authoritarian leaders will entail an unpredictable political risk of inheritance struggles in the clan-based societies of Central Asia, including Azerbaijan.³⁵ If protracted, these struggles are likely to threaten the stability of the region, as unrest can easily spread across the borders between states, especially in the densely populated and religiously highly conservative Fergana Valley that winds its way through Uzbekistan, Tajikistan and Kyrgyzstan. The demands for reform that were previously suppressed in the name of the war against terrorism will now be channelled into support for movements representing political Islam, and the Islamic extremists will take advantage of the political vacuum and attempt to seize power. In Central Asia the Islamists may well have the opportunity to gain power by "democratic" means, if they can transform the discontent with the present authoritarian government into support for their own agenda and disguise their ambitions as opposition-inspired "coloured revolutions" on the lines of those that took place in Georgia and the Ukraine, which the West was prepared to condone politically, cf. the "Andijan model". As the Islamists are the only opposition force to be reckoned with in Central Asia, any revolution mounted by a "democratic" opposition and possibly orchestrated and financed from the West would end up sooner or later by playing into their hands.³⁶ If the states of Central Asia together with Russia and China, or at least with their acquiescence, were to invoke the provisions for collective anti-terrorism action contained in the SCO agreement in order to intervene in each other's conflicts over the inheritance of power or to restore rulers who had lost their legiti-

33 Preliminary agreements for the construction of a Kazakh Caspian Transport System (KCTS) are already in existence. This would allow oil to be transported by tanker from Kazakhstan to Azerbaijan, from where it would be pumped into the BTC pipeline. See Stephen Blank, "Kazakhstan Steps Out to the World", *Central Asia – Caucasus Analyst*, 21.3.2007, <http://www.cacianalyst.org/newsite/?q=node/4475>.

34 Marat Yermukanov, "Kazakhstan seeks Russian assistance to modernize its army", *Central Asia – Caucasus Analyst*, 7.3.2007, http://www.cacianalyst.org/view_article.php?articleid=4737.

35 See S. Frederick Starr, *Clans, Authoritarian Rulers and Parliaments in Central Asia*, Central Asia-Caucasus Institute and Silk Road Studies Programme, Uppsala, 2006.

36 Zeano Baran, S. Frederick Starr and Svante E. Cornell, *Islamic Radicalism in Central Asia and the Caucasus: Implications for the EU*, Central Asia-Caucasus Institute & Silk Road Studies Programme, Uppsala, 2006, pp. 7-8.

macy, this would inevitably increase support for the Islamists. An Islamist takeover of this kind would in turn undermine the stability of the whole region in a totally unpredictable manner.

As the warming of the climate exacerbates the periods of drought in Central Asia and melts the glaciers in the mountain ranges, competition will intensify for the limited water reserves of the region. It is estimated, for instance, that the glaciers of Kyrgyzstan will have dwindled by 25–40% by 2025. Further strain will also be imposed on freshwater reserves in the region by the already serious state of environmental pollution, e.g. in the Aral Sea, and the irrigation systems required for cotton growing etc. It is also significant that the greatest freshwater reserves in the region are to be found in Kyrgyzstan and Tajikistan, whereas the major reserves of oil and gas are in Uzbekistan, Kazakhstan and Turkmenistan.³⁷

Continued instability in Afghanistan will encourage growth in the trade in drugs passing through Central Asia, which will in turn increase the number of users of intravenous drugs in that region and swell the figure for AIDS cases from around 6000 at the turn of the millennium to almost a million by 2030.³⁸ Such a HIV epidemic would slow down growth in GDP in the countries of Central Asia by 3–5% p.a. up to 2015.³⁹ All in all, the drug trade would serve as a close link between organized crime, terrorism, corruption and Islamic radicalism.

A more favourable scenario

A reversal in the flow of emigrants from Armenia to form a substantial volume of return migration would serve to level out the differences in demographic trends between that country and Azerbaijan, and a further propitious event would be the acceptance of Turkey as a member of the EU, as this would undoubtedly bring stability to the Caucasus region and would also mean that, as part of the membership process, Turkey would have had to call off its economic embargo on Armenia and recognize its past act of genocide against the Armenians. This would have the effect of opening up direct trading connections between Armenia and Europe via Turkey and allow Armenia to become oriented towards the West in matters of foreign and security policy rather than only towards Russia. The opening of the border between Armenia and Turkey would defuse the policy of sanctions pursued by Azerbaijan towards Armenia, thus speeding up progress towards a compromise

37 See T. Bayarsaihan and D. McKinney, *Past Experiences and Future Challenges: Cooperation in Shared Water Resources in Central Asia*, ADB, 2002; F. Stolberg et al., *Caspian Sea*, University of Kalmar/UNEP, Kalmar, 2006.

38 The Global Fund to Fight AIDS, Tuberculosis and Malaria, *Proposal by the CCM of the Republic of Kazakhstan to the Global Fund to Fight AIDS, Tuberculosis and Malaria*, Geneva, 2002, p. 17.

39 Joana Godinho et al. *Reversing the Tide: Priorities for HIV/AIDS Prevention in Central Asia*, The World Bank, Washington DC, 2005, p. 21.

solution to the Nagorno-Karabakh question. This in turn would open up new possibilities for transporting energy resources west via Armenia, which would have a considerable impact on integration and stability in the region.

The dependence of the oil and gas producers of Central Asia on the Russian pipeline network will come to an end once new pipeline routes can be opened that are independent of Russia, both towards China and beneath the Caspian Sea and via the South Caucasus and Turkey to Europe. "Permanent" stability in Afghanistan would enable new oil and gas pipelines to be built through that country and Pakistan to India, and an accommodation between Iran and the West would provide a further new route through that country to the West and to the Persian Gulf.

If the conflicts in Abkhazia and South Ossetia could be resolved by negotiation, through the mediation of the EU, OSCE, UN and Russia, these areas could remain part of Georgia but with a considerable degree of autonomy. Georgia, Abkhazia and South Ossetia would be united by the prospect of a common European future in which the separatist areas as well as Georgia itself would be able to take part in new energy infrastructure projects.

The bottleneck to Black Sea oil transportation caused by the Bosphorus would arouse interest in the South Caucasus energy export corridor among other Russian oil companies as well as Lukoil. The return of hundreds of thousands of refugees following the resolution of the South Ossetia, Abkhazia and Nagorno-Karabakh crises would create suitable conditions for long-term stability, and Armenia, Azerbaijan and Georgia would be accepted simultaneously for membership of the NATO alliance. Meanwhile, the progress made by Turkey towards membership of the EU would raise the prospects of these three countries joining towards the end of the period concerned here. Finally, given peace and stability in Afghanistan, it would be possible to reduce the flow of drugs to Western Europe through Central Asia and to reduce corruption in the latter region.

A less favourable scenario

It is possible that overwhelming internal pressure for a solution in Nagorno-Karabakh could lead the government of Azerbaijan to attempt a military solution some time after 2020, by which time the threat of a loss of oil revenues would no longer be a restraining factor as oil and gas production would presumably be on the decline in any case. Azerbaijan would regard its relative advantage as likely to be lost unless it attempts to achieve a solution soon. Its last resort would be to spend its oil revenues on developing a nuclear weapon which could be used not only to extract concessions from Armenia but also to counterbalance the nuclear threat posed by Iran. Georgia and Azerbaijan would not be accepted as NATO members because of their unresolved conflicts, but Russia would have recognized Abkhazia and South Ossetia as independent states and they would at some stage be incorporated into

the Russian Federation. Georgia would naturally oppose this incorporation by force and there would be a risk of the conflict escalating into a direct armed confrontation between Georgia and Russia. The United States would remain outside the conflict, and without American military intervention the Georgian attempt to re-occupy the separatist areas would fail.

If the energy producers of the Caucasus and Central Asia are unable to increase their production in accordance with market expectations, Russia will succeed in keeping them dependent on its own oil and gas pipelines for their distribution network. Apart from Kazakhstan and Azerbaijan, the national energy companies and oil and gas distribution networks of all the states of Central Asia and the Caucasus will have the Russian energy monopolies as their majority shareholders, and these will be able to make the decisions regarding alternative pipeline projects. The United States will withdraw from Afghanistan, and the Central Asian drug trade will flourish uncontrollably. This will mean that the countries of Central Asia will be afflicted with an unmanageable HIV epidemic that will slow down growth in their GDP by 10–15% up to 2015.⁴⁰

Implications for Finland

The effects of the course of developments in the Caucasus and Central Asia on Finland will most probably be communicated via Russia, as the states of Central Asia and the South Caucasus, like Finland, are either immediate neighbours of Russia or else located very close to that country. Both of these regions have previously been part of the Russian sphere of influence, so that it may be said that any repercussions for Finland will be dependent on general trends in relations between Russia and its peripheral regions.

The decisive factors in this respect will be the alliances that Finland, and more especially the states of the South Caucasus, manage to join in the future. Finland, Georgia and Azerbaijan, for instance, may well find themselves entering NATO at more or less the same time, without the latter having resolved their conflicts in the Caucasus, a situation that could link Finland, as a neighbour of Russia, immediately with the security policy dynamics of that region. Also, since Turkish membership of the EU could have rather similar consequences, the EU, including Finland, will inevitably find itself actively involved in the South Caucasus.

Finland will gain an indirect advantage from the fact that Russia will (once more) have to concentrate the focus of its security policy and armaments on threats arising from the Caucasus and Central Asia, and a withdrawal of US forces from Eastern Europe and their possible re-deployment in the South Caucasus would have a comparable effect. This could admittedly also be an undesirable trend as far as Finland is concerned, for if a growing US presence in the Caucasus were to heighten

40 Joana Godinho et al., *Reversing the Tide: Priorities for HIV/AIDS Prevention in Central Asia*, p. 21.

tensions in the area, the Russian response might be felt in the Baltic States, which are NATO members. This might be especially true if, upon the withdrawal of United States troops from Eastern Europe, responsibility for the security of the Baltic States were to come to rest with the European members of NATO or with the EU. On the other hand, the "soft security" threats to the South Caucasus and Central Asia are likely to affect Finland's security through the medium of the Russian territory. These threats might include a worsening HIV epidemic in Central Asia, possibly an explosive increase in the smuggling of drugs through Central Asia to Europe, or substantial flows of refugees attempting to reach the EU via Russia and Finland as a result of conflicts in the region.

The energy policies of the countries of the South Caucasus and Central Asia will only indirectly impinge on Finland. Basically, Finland lies "in the wrong direction", or at least well away from the areas to be served by the strategic energy supply projects operating via the South Caucasus, such as the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, the South Caucasus Gas Pipeline (SCP) or the planned Trans-Caspian gas pipeline from Turkmenistan and/or Kazakhstan through the Caucasus to Turkey and on to Europe. The main effects of these projects in terms of the security of energy supplies will be felt in South-Eastern, Central and Southern Europe rather than in Finland. The region would be of more immediate significance to Finland if some of the natural gas from Central Asia should end up in the Baltic gas pipeline, or if the Odessa-Brody-Gdansk oil pipeline were to be built and exploited as a route for transporting oil from Kazakhstan to Europe and the Baltic Sea.

Regional politics

The Middle East and North Africa, a broad swathe comprising Morocco, Algeria, Tunisia, Libya, Egypt, Israel, the Palestinian territories, Lebanon, Syria, Iran, Iraq, Jordan, Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, Oman and Yemen, have traditionally been regarded as constituting three security regions: North Africa, the Persian Gulf and the Middle East proper, i.e. Israel and the Mashreq, the Arab countries surrounding it. The situation in the Persian Gulf has been determined by the security balance between Iran, Iraq and Saudi Arabia, and that in the Middle East proper by the conflict between Israel and the Arab states. The dividing lines between these regions are becoming more diffuse, however, and the configurations of the alliances between the countries concerned are altering, so that in the future even clearer divisions will appear between Iran and its allies, i.e. the Shia and “radical” Arab states, and the “moderate” Arab states plus Israel. The Arab-Israeli conflict will diminish in importance in the course of time, and the security interests of the major world powers will be concentrated in the Persian Gulf. North Africa and the Middle East in any case differ greatly in character, and the states located to the west of Egypt will be affected by different change factors from those lying to the east. In general terms, North Africa is, and will remain, a more stable region than the Middle East.

A new security order is developing in the Middle East, and it is fairly probable that three or even more nuclear powers will emerge to form power poles in the regional system. The most probable new nuclear states that will emerge alongside Israel are Iran and Saudi Arabia, but there are others such as Egypt, Algeria and Morocco that might attempt to acquire nuclear weapons. This proliferation will alter the balance of power in the region considerably, and it would seem in the light of present trends that the “moderate” (Sunni) Arab states, under the leadership of Saudi Arabia (and accompanied by Israel) are likely to constitute a regional counter-balance to the Shia bloc headed by Iran in the more immediate future. In all events, Arab or Muslim countries as a whole will not constitute a single bloc in terms of international politics (see the section on internal stability).

Not all the old conflicts and the political dividing lines occasioned by them will persist into the future. Israel and the “moderate” Arab countries will find that their security policy interests coincide to an increasing extent and the conflict between

Israel and its Arab neighbours will be very largely resolved through the signing of peace treaties between Israel and Syria, Lebanon and the Palestinians, although it is still very unlikely that relations will become any warmer than that. The outcome will most probably be a state of "cold peace" which will not suffice for a proper normalization of relations or for any regional integration.

The major world powers already have a great deal of influence in this region, and this can be expected to increase as further international actors of a similar status attempt to enter the region. At the moment we are going through a period when the post-Cold War hegemony enjoyed by the United States is slowly declining,⁴¹ and that country's ability to control the politics of the region can be expected to decline still further, although its military strength there will remain unchanged for a long time to come.⁴² The Persian Gulf will be one of the world's most important regions for energy production by 2030, and the competition for energy resources will increase the interest of the major world powers in it. The EU, Russia, China and India will all have commercial interests there and competition in the energy sphere will make them more political as actors than ever. Meanwhile, the United States will still occupy a significant position in the Persian Gulf, even though China, Russia and India may form opposite poles on certain individual issues. Only the EU will find itself having to be content with very little real influence in the region.

The EU will continue to be primarily an economic actor in the Middle East and North Africa, although its political interests will increase in the Southern Mediterranean countries in particular. Its participation in matters of security policy will nevertheless be largely in a stabilizing role. If Turkey were to join the EU, this would mean that the Union would have a common boundary with the Middle East, which might promote economic growth and collaboration with the Mediterranean countries of the Middle East. In all probability the EU will develop closer relations with Syria, Lebanon, Jordan, the Palestinians and Israel, and where it has already succeeded for the moment in establishing good relations with the countries of North Africa, this trend can be expected to continue. The question of migration from Sub-Saharan Africa and the Maghreb countries, i.e. Morocco, Tunisia, Algeria and Libya, will serve to maintain the EU's interest in economic and social development there, leading to closer vertical economic integration with the Maghreb countries and closer political ties engendered by migration and the EU's labour requirements. Horizontal integration between the Maghreb countries will nevertheless progress only very slowly.

41 Haass, Richard N., 'The New Middle East'. *Foreign Affairs*, Nov./Dec. 2006, <http://www.foreign-affairs.org/20061101faessay85601/Richard-n-haass/the-new-middle-east.html> (accessed 21.12.2006).

42 Ayoob, Mohammed, "The Middle East in 2025: Implications for U.S. Policy". *Middle East Policy*, Vol. XIII, No. 2, Summer 2006 (pp. 148-175).

Security policy developments in the Middle East have traditionally been determined by regional politics, and the latter can be expected to provide the framework for the actions of the world powers in the region in the future as well. This will mean that these powers will not be entirely free to exploit the region as they wish in pursuit of their own interests, and the increased multipolarity of world politics will open the way to some tactical manoeuvring by the countries of the region in their choice of allies. Alliances with nations outside one's own region tend to be short-lived and highly changeable, but the priorities for the states of the Middle East will undoubtedly be to obtain military support, security guarantees and trade relations from outside the region, and in these respects they will undoubtedly make use of the new multipolarity in the international sphere in order to maximize the stability of their regimes and their own political power in the region.

The more distinct presence of new international actors will not greatly increase confrontation in the region, because it will be in everyone's interests to promote stability. On the other hand, re-armament and the acquisition of weapons of mass destruction will become easier as new world powers such as China, Russia and India seek to contest the dominant role of the United States in the region. The provision of military support for allies in the region will become common practice, but the world powers themselves will probably not take any significant part in conflicts there by sending their own troops, although they may well support proxies. Military interventions will still remain a possibility, however.

Given the many poles of power in the region, the presence of stronger international actors and the existence of non-state actors anxious to boost their own international significance, security politics in the Middle East is likely to become more complex than ever. Conflicts will be liable to arise either from changes in balance of power between the power poles or from internal instability within individual states.

The probability of wars between the states of the region will decrease, and the importance of national armies in conflicts and as parties to them will decline, and the countries in the region will acquire weapons of mass destruction in addition to conventional arms. On the other hand, the role of non-state actors as representatives of the interests of particular states may well increase, which will enable actors in the region to operate against each other without the situation escalating into a war at the national level. This use of proxies and of guerrilla and terrorist organizations is liable to increase on account of internal instability within states and the occurrence of civil wars, for instance. It should be remembered, too, that when guerrilla and separatist movements are used to pursue national security and regional interests, there is always a danger of weapons of mass destruction passing into the hands of such movements, one possible form of action of which is terrorism.

Terrorism is likely to continue to be used as a means of asymmetrical warfare in national, ethnic or religious conflicts and those associated with the regional

balance of power. If it proves impossible to establish a stable state of peace with Israel, it is probable that conflicts of this kind will arise with that country in the future as well, e.g. in Lebanon and the Palestinian territories. Also, new groups may arise to pursue national interests and wage national wars, and the states of the region may make use of these in asymmetrical conflicts with each other or with world powers, e.g. Iran in a war against the United States. At the same time there may be non-state actors pursuing the interests of national or religious groups, e.g. the Kurds or the Shias. Some of the conflicts characterized by the use of terrorism may spread to the international level and become globalized, whereupon terrorist attacks linked with Middle East conflicts may occur anywhere in the world and be directed against any of the world powers.

Terrorism will continue to be specifically regional rather than international in character, so that even Islamist terrorism as a significant trend may be fairly short-lived in the most probable scenario. It may continue as a phenomenon, but it may not necessarily gain any further support. Whether Jihadism rises or falls will depend very much on the international reaction to terrorist attacks, the integration of Muslims in the Western countries and the stability of the Middle East states. Major attacks on the Western countries will still take place, but the majority of those that claim to be inspired by Islamist ideology will continue to be confined to the Middle East. The reason for this will lie in the increasing concentration of the Islamist groups on conflicts in this region, largely in Iraq, and on other civil wars or states that are about to collapse, such as Lebanon or the Palestinian territories. Atrocities will still be directed at the governments of the regions, no matter whether they are targeted at national interests or Western allies, and on account of the presence of the major powers, attacks may also be aimed against these external allies, and very probably also against Europe. It is significant, however, that non-Islamist terrorism is also thought likely to increase.

Internal stability

Particularly disastrous for stability in the Middle East or North Africa would be the collapse of a government or administrative regime, because this would in all probability lead to a state of instability in the country concerned and more extensively within the region as a whole. There are few prospects at the moment of a swift stabilization in the countries where instability prevails, i.e. in Iraq, the Palestinian territories and Lebanon, whereas the other governments can be expected to “remain standing”, i.e. stability will be maintained and no large-scale internal unrest is envisaged. The stability of governments in the region could be threatened by external pressure, for example, or by a military intervention, regional conflict, changes in economic structure and/or religious or sectarian conflicts. The main sources of external pressure are likely to be the United States and the EU, and regional con-

flicts would most probably affect the Lebanon, Israel or Iraq, while the exhaustion of economic resources, i.e. oil reserves, is most imminent in the case of Syria. Iran could be affected by a combination of external pressure and a possible intervention, Iraq, the Palestinian territories and Jordan by external pressure and regional conflicts and Saudi Arabia by internal revolutionary pressures combined with a decline in economic resources. The governments in these cases should be eminently capable of maintaining their stability, however, partly by means of repressive measures, and should also be able to isolate their country from the effects of conflicts taking place outside its boundaries. It is nevertheless possible that the government of some state or other may be weakened to a decisive extent.

The failure of the state-controlled economies, globalization, population growth and unemployment will force all the countries in the region to liberalize their economic system. Population growth will decline somewhat in the future, so that it is unlikely to endanger the internal stability of particular countries, and the additional labour is likely to be creamed off by emigration, predominantly to Europe. The structure of production, on the other hand, is likely to undergo major changes on account of desertification and other environmental problems, and the agricultural sector in particular will probably be cut back, but again the resulting pressure is likely to be defused by migration. Rising ocean levels, flooding and other environmental disasters could lead to the destruction of whole cities, e.g. in Egypt and the Yemen, giving rise to prodigious flows of refugees.

Rapid economic liberalization could itself be a cause of instability, of course, especially if the "dividing lines" established in the new economic order exert stress on the religious or sectarian balance of power, with a consequent strengthening of protest movements based on ethnicity or religious affiliation. The governments of those states possessing little in the way of natural resources may well have difficulty in maintaining control under such conditions, and may have to resort to violence or infringements of human rights in order to restore order. Oil and gas production in the current producer countries of the Middle East and North Africa will probably continue at the same level or increase somewhat, and this will help the countries concerned to maintain stability.

It cannot be assumed, however, that economic liberalization will lead to democracy. There will still be authoritarian and semi-authoritarian states in the Middle East in 2030, the governments of which will be largely the successors of those existing at the present time. The number of semi-authoritarian states, represented in 2007 by Egypt, Morocco and Jordan, which have democratic institutions, elections and certain political freedoms but are entirely authoritarian in nature, as it is in practice impossible for a change of government to take place, is likely to increase.

One trend during the first decade of the new millennium has been for moderate Islamists⁴³ to rise to the fore through "democratic" elections, and this will probably continue. It is possible in the semi-authoritarian states that moderate Islamists could rise to the point of sharing power with the traditional ruling parties or with the royal family, as in Jordan and Morocco in 2007, and a progression similar to that in Turkey, in which moderate Islamists were able to take over power from the traditional rulers, might also be conceivable. It would seem improbable, however, that a moderate Islamist party could oust an existing government or royal family completely other than through a revolution or civil war.

The states of the Middle East and North Africa will not be fundamentally any different, however, even if they are led by moderate Islamist groups, and their accession to power may not have any particular consequences, unfavourable or favourable, as far as the country's internal or foreign policy is concerned. It is very unlikely that any state comparable to that of the Taliban regime in Afghanistan could arise here, although the model represented by Turkey could become more common. Similarly, the possibility of an Islamic state does not in itself constitute a threat, although cultural questions are gaining in significance in international politics. Moderate Islamist groups will continue to act predominantly in the national interest and will not form a political bloc at the regional level. It is not at all likely that the Muslim countries would form any significant alliances in the sphere of international politics.⁴⁴ The Muslim countries of the Middle East and North Africa are too disparate in their interests to form an alliance or coalition to promote a particular religious or cultural agenda that could rise to the status of an influential (or counter-hegemonic) actor in the international system.

Islam is destined to increase its significance at the cultural level, however, and this could lend support to the moderate Islamists' bid for political power. The Islamization of societies does not constitute a threat, but a strengthening of the Islamic identity could lead to a Sunni-Shia polarization on this dimension, which would increase the risk of a conflict between the states of the Middle East. At the same time, a rise in the significance of the Islamic culture and identity within these countries can be a source of friction at a time when their societies are modernizing

43 The term refers to Islamic political organizations that are not "revolutionary" and reject the use of violence. These typically do not espouse the Caliphate ideology, either. See Archer, Toby and Huuhtanen, Heidi (eds.), "Islamist Opposition Parties and the Potential for EU Engagement", UPI-FIIA, Helsinki, 2007.

44 See Murden, Simon W., "Islam, the Middle East and the National Global Hegemony", Lynne Rienner, USA, 2002, pp. 185-209. For another view, see NATO, "Future World Scenarios. Supporting Paper to the Long Term Requirements Study", 2006. The NATO paper paints a picture in one of its scenarios of a world in which the Islamic countries gather together to form a bloc known as the "New Islamic Council", which exercises control over resources, and Euro-Atlantic relations with the NIC are characterized by a pronounced antipathy.

and westernizing. The manner in which the local and global cultures intermingle will in fact be a crucial matter for the stability of these countries.

Environmental issues will also be transformed into political conflicts. The accelerating climate change will mean increasing external pressure on the energy-producing countries of the region in environmental matters even though the consumer and customer countries may remain just as dependent on oil as ever. Climate change will also increase emigration pressures, and water will gain in importance all the time as resources run low and desertification advances, which will transform this, too, into a political issue.

A more favourable scenario

The trend towards a multipolar world order will be a positive factor as far as stability in these regions is concerned, as, driven by their own economic interests, the major world powers will prevent the escalation of conflicts and attempt to promote stability. Thus no large-scale wars between nations or directed at any one nation can be expected to arise. The United States may succeed in preventing Iran from acquiring nuclear weapons, or else, even if Iran does acquire such weapons, the rise of new nuclear powers may not generate conflicts but may promote slightly more settled politics in the region. The influence of the major powers and stable national governments could also reduce the activities of non-state actors, so that these would not pose any significant challenges to them. There will be a gradual withering of international Jihadism. It is unlikely, however, that complete stability could be achieved in the Middle East and North Africa, but rather the currently existing conflicts will continue to disturb the situation in the form of civil wars and acts of terrorism. Thus, even in a more favourable scenario, the trend in the region will be merely for a “cold peace” in which conflicts will not escalate too easily.

Israel will succeed in achieving a “cold peace” with the Arab countries through separate negotiations with Syria and Lebanon. Hizbollah will see a decline in its role in the politics of the region, until it is eventually absorbed into the Lebanese army and political system. International observers will be needed in the Golan Heights and on the Israeli-Lebanese border for some time (cf. the situation in Sinai from 1979 onwards), and Israel’s relations with its neighbours in general will not be entirely normalized, but instead the various states will attempt to protect their own economies.

Under this more favourable scenario all the governments of the region will remain stable, and the governments of the currently weak or collapsing states in the Palestinian territories, the Lebanon and Iraq will gradually establish themselves more firmly, although the process may include fairly long periods of violence, low-intensity civil war, anti-government riots and overthrows of some regimes. The most authoritarian of the governments in the region will develop into semi-authoritarian

ones in which slight advances are made towards political liberalization and the human rights situation gradually improves, or else it is possible that some may remain authoritarian but develop a free market economy, on the lines of present-day China. Meanwhile, the existing semi-authoritarian states will take small steps towards democratization, with slightly better opportunities for all population groups, for example the Kurds and Islamists, to participate equally in their political life, and as a consequence their governments may be a little less sectarian, although not yet democratic. Thus governments in the region will remain relatively authoritarian in spite of some increase in pluralism.

Turkey's membership of the EU will make the Middle East an immediate neighbour of that organization and could possibly encourage closer cooperation with the EU on the part of the Middle East states bordering on the Mediterranean Sea, a process that would be accelerated if the appropriate peace treaties could be brought about. All this will imply both vertical (EU-Mashreq) and horizontal (Mashreq-Mashreq) integration, at least at the commercial level.

A less favourable scenario

Under less favourable circumstances the Middle East becomes a new multipolar "cold energy war" arena for confrontations between the major world powers (cf. the Cuban missile crisis). The proliferation of nuclear weapons in the region gets out of hand and from 3 to 5 countries gain possession of such warheads and acquire a power pole status by backing of the major powers, which would increase the region's susceptibility to serious conflicts. The political situation would then be complicated further by the presence of non-state actors and there would be a danger of nuclear weapons falling into the hands of proxies and terrorists.

It is possible that the instability in Iraq could lure other states into the war and/or that the war could spread to other states, which would heighten tensions in the politics of the region. Thus, although the various states are highly capable of maintaining stability, an offensive directed at any one of them (cf. Iraq) could cause its government or the whole state to collapse. This could cause a low-intensity civil war and general unrest in a number of cases, e.g. Syria, Saudi Arabia, Jordan and/or Iran. It is also likely that in such a situation the other states of the region could become involved in the unrest in those that had been weakened or brought to the point of collapse. In general terms, an exacerbation of the Sunni-Shia divide can be predicted as part of such a less favourable scenario, giving rise to sectarian conflicts in which Saudi Arabia would provide active support for the Sunnis and Iran for the Shias, effectively deepening the gulf between the two sides still further. At the same time, the governments of the weakened or collapsing states would not (be able to) control the non-state actors. In particular the present trend towards Islamist terrorism will continue in this scenario.

The combination of a civil war and a coup d'état would inevitably be followed by a return to authoritarianism. The legitimacy of the government will suffer in countries in which the sources of state income decline dramatically (cf. oil revenues in Syria or the situation in Iraq at the time of sanctions), which will result in acts of repression and possibly even persecutions or massacres. Moderate Islamists may achieve a position of power in some countries, but they cannot be expected to form a significant Islamic bloc at the international level or even succeed in establishing corresponding forms of cooperation.⁴⁵ It is also possible that the secular identities maintained at the state level, principally the Arab identity, e.g. in Syria, but possibly also national identities, e.g. in Iraq, may not achieve enough popular support and that they may be supplanted by the identities offered by radical/undemocratic Islamist movements bent on ousting the local governments.

If climate change accelerates to an unforeseen degree it will propel mass movements of refugees which, remaining to a large extent within the region itself, i.e. in North Africa and the Middle East, will upset the demographic equilibrium of the individual states and cause unrest.

Implications for Europe and Finland

European political stakes in the Middle East and North Africa will increase on account of competition between the world powers, European energy requirements and labour shortages and the possible repercussions of instability in the region, and the role of the EU in the Middle East will become more of a political one, i.e. it will no longer be simply a stabilizing influence but will be a party to the competition between the world powers and the conflicts affecting the region. It will pursue its own political and economic interests, especially in North Africa and the Mediterranean parts of the Middle East, and will thus involve itself more actively in Middle East conflicts and efforts to increase stability. Unfortunately these operations will entail an increasing danger of the EU becoming a part of such conflicts instead of pursuing its traditional peace-keeping or peace enforcing role. The EU will nevertheless continue to take part in peace-keeping, peace enforcement, crisis management and other military operations: 1) in order to implement new peace treaties and/or prevent conflicts coming to a head, e.g. in the Golan Heights, Lebanon and the Palestinian territories, 2) in response to the collapse of a state or an outbreak of civil war, possibly in Lebanon, the Palestinian territories or Iraq, but also elsewhere should the situation arise, see above, 3) in cases of internal unrest in the states of the region, e.g. instances of genocide, 4) in order to eliminate terrorist groups or proxies, and/or 5) in the event of an environmental crisis, e.g. in Egypt or Yemen. With this

45 The "Resurgent Middle East" scenario proposed in the NATO World Scenarios paper (2006) cannot be expected to come about even in this case.

in mind, Finland will have to be prepared to commit itself (or at least decide on its stance with regard to committing itself) to long-term, extensive peace enforcement, crisis avoidance or crisis management operations, even ones lasting several years, and to take account of the probability of having to participate in military interventions in the region.

The Middle East and North Africa will not pose major military threats to Europe, even though missile ranges may permit a military attack, e.g. by Iran, but it is quite possible that in addition to international Islamist terrorism, other forms of terrorist activity may be directed at Europe on account of crises in the Middle East or North Africa.

Europe will in any case become more closely involved in Middle Eastern politics by virtue of immigration and the growing Muslim populations of the European countries. Europe, the Middle East and North Africa will be brought closer to each other by economic, political and cultural ties as a result of increasing immigration, even though the majority of the migrants attempting to come to Europe from North Africa will continue to originate from Sub-Saharan Africa. Immigration from the Middle East will not be a problem for stability and security in either Finland or Europe as a whole provided the resulting labour input is matched by a corresponding demand in Europe, and provided the EU countries can develop successful integration policies, but the failure of integration could mean a considerable instability factor for Europe as a whole. The influence of the Middle Eastern and North African Muslim diasporas in Europe will inevitably increase, and these will become more active politically, especially in societies which are becoming progressively more multiethnic at the same time as the European population structure is altering. The interests of these groups will come in time to affect the foreign policy of the European countries towards the states of the Middle East and North Africa and to create a "new European identity", the growth pains of which may find expression in local controversies, increased European Islamist terrorism and even "communal conflicts" between ethnic groups in a certain city or country on the lines of those recently experienced in France.

In a more favourable scenario the pursuance of a successful integration policy within the EU would lead to the rise of a Muslim identity as one part of the European civil society and political system. Muslims would then form the principal religious minority in Europe, with a status proportional to its size. Turkish membership of the EU would, of course, help to give Islam an established position as part of a broader European cultural identity. A less favourable scenario could be envisaged, however, in which, prompted by unsuccessful integration policies, a radicalization of Islam within the EU would inspire a wave of Islamophobia, and vice versa, leading to intercultural conflicts. This would be accompanied by an increase in terrorist attacks on Europe, and if the radical Islamism of the European Muslim communities were to undergo a process of Europeanization, the conse-

quence might well be the rise of groups similar to the Jihadist movements of the Middle East but with an agenda that was linked not merely with events in that region but also with local or European events.

It is estimated that the Middle East and North Africa will be able to meet about a half of Europe's oil needs,⁴⁶ and Europe may also become more dependent on natural gas from these regions. Also, since the EU will probably not be able to compete with the other major powers for the energy resources of the Persian Gulf, those of North Africa will gain in importance for it, leading to attempts to increase its political influence in that region. Oil prices are predicted to remain high,⁴⁷ largely on account of inadequate investments or production capacity, consumption by the countries of the region themselves and/or conscious manipulation of prices, all of which factors may affect the amounts coming onto the market and thereby the price. Further relevant factors could be wars and other conflicts in the producer regions, which could have serious repercussions for the global economy and for the national economies.

46 This oil will chiefly come from Saudi Arabia, Iran and Iraq, see ISS-EU, "The New Global Puzzle. What for Europe in 2025?", 2006, pp. 117-118. <http://www.iss-eu.org/books/NGP.pdf> (accessed 21.12.2006).

47 See International Energy Agency (IEA), "World Energy Outlook 2005", 2005, Executive Summary, p. 44. <http://www.iea.org/Textbase/npsum/WEO2005SUM.pdf> (accessed 21.12.2006).

Between 2007 and 2030, Sub-Saharan Africa⁴⁸ (SSA) will struggle with significant challenges, many of which are relatively far greater than challenges faced by other continents or regions in the world. Sub-Saharan Africa's development up to 2030 depends to a great extent on the general nature of the period in question – something that Africa has very little opportunity to influence – and on whether the new African political elites choose to work for the good of their country or for their own benefit. In view of the large number of countries concerned,⁴⁹ the activities of these political leaders will mostly have a fairly local impact, although this effect may be more pronounced in the case of the “anchor” country for a particular region, e.g. Nigeria in West Africa or South Africa in the southern part of the continent. In this multipolar period it will nevertheless be the strategies for action, cooperation and competition adopted by the major global actors that will determine the framework for development in Africa. Even the best possible outcome as far as the political elite of the continent is concerned cannot alter this framework to any significant extent, but within the limits set by external influences it is the political elite that will play a major role in the development of Sub-Saharan Africa.

The most probable course of events is based on the expectation that between 2007 and 2020 the major powers in the multipolar world, the European Union, United States and China (and also India, Japan and Russia) will learn to cooperate with each other, or at least to take each other's interests sufficiently seriously. The years 2015–2025 are a crossroads for Africa, it is then that we will see whether there is a common desire to help the continent or whether it will merely become a new target for geostrategically insignificant mercantile competition between the major powers.

By 2030 the African Union (AU) will have attempted to employ a combination of the UN and EU models to create a comprehensive network of economic and security cooperation covering the whole continent. Sub-Saharan Africa, however, will have

48 Although the main factors affecting development are discussed for Sub-Saharan Africa as a whole, most of those dealt with in connection with the regional assessments are ones that could apply in a corresponding manner to other regions.

49 International organizations calculate the numbers on different criteria, so that the figure varies between 47 and 51.

become divided into separate developmental regions,⁵⁰ so that continental-wide cooperation will be limited to certain topics, e.g. crisis management and the achieving of improved conditions of trade. Although this will be the least stable region in the world by 2030, it will also present a minimal threat to the rest of the world. Though it is preferable to examine the situation in 2030 from a regional viewpoint, there are certain general trends that will affect conditions everywhere:

Population and health

Population growth in Sub-Saharan Africa over the period 2007–2030 will be the highest in the world. By 2030 the total population will have doubled to around 1.25 billion, of which more than half will be living in the towns and cities. The vast majority will, however, live under slum conditions and be surrounded by abject poverty and appalling environmental conditions.

The high mortality in the region will be attributable to many factors, but principally inadequate health care, economic poverty, wars and the high proportion of refugees. The greatest contributing factor of all, however, will be HIV/AIDS. Although the peak in infections will be passed around the year 2020, some 100,000,000 people will have died of the disease in Sub-Saharan Africa by 2030, with a further 1,500,000 a year succumbing to malaria and tuberculosis. It is predicted that unless a vaccination is found, malaria will spread extensively into East Africa on account of the warming of the climate. It is also likely that extreme drug-resistant tuberculosis (XDR-TB) will spread across the African continent. In spite of this, the mean life expectancy will rise from 46 to almost 55 years, however, this will still be at least ten years short of the figure for any other part of the world.

The incidence of violent conflicts, the growth of the population, inadequate economic growth, blatant overexploitation of natural resources and expanding poverty will have caused substantial flows of refugees out of and within Africa by 2030. More than 300,000 people a year leave the continent at present, and the large increases in population suggest that the numbers of refugees and emigrants will grow in the future. An issue of special concern for is that almost 20,000 well-educated people (doctors, nurses, engineers etc.) are leaving Sub-Saharan Africa every year.

Nature and the environment

Sub-Saharan Africa will have suffered most from global climate change by 2030, in the form of drought, floods and higher temperatures. The effects will be largely regional, however, so that precipitation, for example, is expected to increase in Central Africa and fall still more sharply in Southern Africa. In addition to this, the

50 West Africa, Central Africa, East Africa and Southern Africa.

cycle of dry and rainy periods may change to the degree that without substantial investments in irrigation systems, large swathes of land may no longer be able to support food production.

More than half of the countries in Africa will suffer from shortages of water between 2007 and 2030. This is not only a question of the amount of rainfall, but also the volumes of water carried in the rivers, which has declined every year from 1997 to 2007. In addition, groundwater resources are currently being used to an unsustainable degree and this trend is expected to strengthen as the population grows. If even one of the great rivers of Africa were to dry up the consequences would be disastrous for millions of people. Differences of opinion between countries over the use of water resources are unlikely to lead to wars, but local disagreements, usually over a decline in water quality due to industrial pollution or the building of a dam, will increase in number.

Infrastructure

The present deficiencies in terms of infrastructure and education make substantial economic changes anywhere in Sub-Saharan Africa, other than the Republic of South Africa, improbable before 2025. The lack of reliable electricity supplies, telecommunications and means of transport will greatly hamper participation in a networked global economy. The most significant improvement in infrastructure at the level of the local tradesman would be the creation of a functioning network of road and railway connections.

Trade and the economy

During the first decade of the 21st century, Sub-Saharan Africa accounts for a historically miniscule proportion of the world's trade, about 2%, but economic growth has improved in recent years, especially in the oil-producing countries, on account of debt relief and rises in raw material prices. The lack of the necessary industrial infrastructure means that in the long term raw materials will continue to play a major role in exports, especially in West and Central Africa, where oil exercises a considerable influence on the economy. This influence will increase by 2020 as production capacity is doubled from present levels. This makes it likely that more than 30% of the oil imported by China and the United States will come from the SSA area, therefore it is likely that these countries will account for a larger proportion of total exports from the SSA, with a corresponding decline in the proportion of exports to the EU. This will also mean an increase in Chinese and American commercial and military interests in the region.

The SSA economies will develop at different rates, with the major divisions being between the oil-producing and oil-importing countries and between the coastal

and landlocked countries, as only those with a coastline will be able to robustly in international trade. Among the countries with no significant raw materials, the lack of an outlet to the coast means an 80% lower per capita GDP. It is these countries that are most likely to lag furthest behind in economic and commercial development throughout the 2007-2030 period.

Energy

Energy requirements and the problems of satisfying them will prove to be one of the major factors limiting development over the whole region. It is probable that 75% of homes will obtain their energy locally from the burning of wood and coal even in the year 2030. Africa nevertheless has a high potential energy and electricity generation capacity, as extensive use could be made of hydroelectric plants, solar energy farms and oil or gas-fired power stations over various parts of Sub-Saharan Africa.

Southern Africa is at present the most stable and best-developed of all the Sub-Saharan regions, and the situation can be expected to become more pronounced over the period 2007–2030, although this will be largely on the strength of constant improvements in the economies of South Africa, Botswana and later Angola. It is probable that Southern Africa will have a common market by 2030 and a common currency from 2020 onwards, following a longer period of coordination in financial policy. Limitations in infrastructure will nevertheless mean that the common market will not function very efficiently. Parallel to these changes the Southern African Development Community (SADC), in which South Africa has functioned as the driver for integration, will have given way to the Southern African Community (SAC), involving Kenya, Uganda, Rwanda and Burundi by 2030 in addition to the 2007 SADC members. It is also possible that the Democratic Republic of the Congo (DRC) will have left the organization (or have been expelled from it) by that time.

The region will in general have developed politically in a more democratic direction. Both the politicians in power and those in opposition in most of the countries will have managed to shed the “zero sum” way of thinking that has dominated the political atmosphere. Political competition will continue to be fierce, however, and sometimes civil war will only be averted by virtue of regional economic interests and pressures from other leaders in the region. The DRC will for practical purposes have split into numerous parts, so that its development will be spotty and very regional. Elsewhere in the SAC area, improvements in government and the functioning of the markets will have reduced the practice of “rentierism”, because it has become possible to grow wealthy without holding the strings of power. Because of improvements in the social, economic and security environment, foreign investors will be increasingly attracted to the SAC. Foreign direct investments (FDI) from China, India

and the European Union will therefore increase, with South-South trade (between Africa, China and India) expanding even more.

The climate changes that were already visible in the early years of the millennium will nevertheless have led to longer periods of drought in Southern Africa, and this will have detracted from the region's ability to produce enough food for its people, especially in the face of an influx of refugees from Central Africa precipitated by conflicts in that region.

The most important question will be whether economic and political integration on the lines of the EU will be set in reverse or whether stability and economic growth will spread from the south into Central Africa. Economic and political integration could come to a halt, especially if South Africa does not receive any support.

Central Africa will have become the least developed area in the world by 2030. Its population will have grown more than the average for Africa, but economic growth will have been practically nil; a cumulative growth of 16% over the period 2000–2030 is largely due to the increased export of raw materials). The region will have been overtaken by both West Africa and East Africa in terms of economic and human development. The DRC will have de facto split into numerous independent areas.

East Africa will have slowly become more stable between 2020 and 2030. The Intergovernmental Authority on Development (IGAD) will not have progressed as an organization in the manner that had been hoped for in 2010, and Kenya and Uganda will have joined the South African Community, leaving Ethiopia as the anchor state in the IGAD.

The long period of instability will nevertheless have allowed organized crime and money laundering to establish themselves in the region, and these will have largely replaced the radical and violent islamists of the beginning of the century as the main threats to security, although there will still be some small revolutionary groups taking advantage of border zones and other "abandoned" areas. Religious groups and clans will have increased social significance, and the region's burgeoning democracy will have been modified to take the culture of the clan society into account. Somaliland will have remained more or less stable since gaining independence, but relations with Somalia in the aftermath of the brief war will not be good. As elsewhere in Africa, the economic assistance and support for infrastructure development that China has provided from the beginning of the century will have increased that country's influence in the region.

Increases in rainfall may make some of the previously arid land cultivable, but only if it is possible to collect the water efficiently, because rain will be sporadic and often result in flooding. The increased cutting of trees, floods and intensified agriculture will all increase the risk of desertification. It is possible that with support from India, for instance, East Africa could become a net exporter of foodstuffs by 2030.

West Africa will suffer from political uncertainty into the 2020s and crises that occasionally break out into civil wars will limit the region's development prospects relative to Southern Africa, for example. Environmental and climate changes will have adversely affected the capacity to act of both states and private organizations.

The CFA franc will have been merged with the West Africa eco to create a single unit of currency for the whole West African Monetary Zone (WAMZ) by 2020. This will have facilitated internal trade and made Nigeria into a still more important regional actor. Unfortunately for the smaller countries of the region, Nigeria's susceptibility to political conflicts will remain at much the same level through the period of consideration, partly on account of intensified American interests in the country and interference in its internal affairs. With the decline in the war on terrorism, the United States' AFRICOM will emerge as a politically significant factor promoting American interests in the region far more effectively than the State Department, albeit from a military point of view. Aid for the oil-producing countries of the region will increase as the US dependence on oil imports from Africa grows.

Many of the smaller states in the region will suffer from border disputes, and there will be extensive cooperation between the AU, EU and ECOWAS in security matters. The EU-ECOWAS free trade agreement signed just before 2020 will improve economic prospects slightly and thereby help to reduce the flow of refugees.

The environmental changes in the Sahara and Sahel areas will be particularly noticeable in Niger, Mali and Mauritania. The Sahara Desert will continue to retreat in the south and the Sahel area will enjoy increased rainfall, making agriculture and animal husbandry possible in areas which had previously been desert.⁵¹ If this proves to be the case, the area will be able to better support life (resulting in an increase in the population) and it could even become a net producer of energy.⁵² If, on the other hand, water supplies were to deteriorate, preparations would have to be made for worsening famines, resulting in waves of migration directed both at the countries of North Africa and at the larger cities in West Africa.

A more favourable scenario

A more favourable course of development would lead to the possibility that the long-awaited "African Renaissance" might finally come into being in the 2030s, with the continent beginning to catch up with the rest of the world. This would require, however, that the rest of the world would devote real resources to Africa (not just

51 It is calculated that if the North Atlantic becomes warmer than the South Atlantic, the Sahel area may receive 50% more rain than in the period 1950-2000 (although it is also possible that rainfall might decrease by as much as 25%).

52 It would be possible for energy generation plants operating on solar radiation to produce hydrogen for the growing EU hydrogen market. It is more probable, however, that the necessary facilities for this would be constructed in countries that were neighbours of the EU, such as Libya and Algeria.

money). It also would require that practically all the countries by 2020s at the latest have a strong democratic foundation or an authoritarian regime that is genuinely concerned with improving living conditions for its people, on the “Chinese model”, and is at the same time prepared to move towards greater political transparency.

In West Africa, this would allow Nigeria to achieve political stability and to participate better in attempts at regional integration, thereby helping the smaller states to consign the last remnants of their cross-border civil wars to the history books. The countries of Central Africa would then have started out on the road towards stability, and at least some of the vast natural resources of the Congo would be devoted to developing the area’s infrastructure, chiefly roads, electricity supplies and health care. East Africa would benefit from cooperation between China, India and the United States in the region and the contribution of the farmers would be instrumental in averting famine and even in generating some exports of foodstuffs. Meanwhile, the Southern African Community would have agreed on a common foreign and security policy which, thanks to its rather different historical legacy, would be implemented much more quickly than that of the EU.

A more favourable scenario would also entail a clear improvement in health care, normalization of the age structure and some limitation on population growth. Although the development of vaccinations against HIV/AIDS and malaria would render the people more healthy, it would also increase population pressures. Governments have few means at their disposal for restricting population growth, however, and it is probable that the chief agent in this might be a pandemic of drug-resistant virulent airborne tuberculosis (DRVA-TB), which could cause as many as 100 million deaths in Africa alone.

The African Renaissance would imply an improvement in the position of the whole of Sub-Saharan Africa within the world as compared with the situation in 2006. It would finally be possible to begin bridging the gap with the rest of the world. However, the gap is already so enormous that success in integrating into the modern global world would come around 2050 at the earliest.

A less favourable scenario

A less favourable scenario than the above could be brought about by a combination of external factors (rivalry between the world powers), internal problems (poor political leadership) and natural disasters (a pandemic or climate change), leading the whole of Sub-Saharan Africa to become the “Heart of Darkness” of the entire world.

Even though the major powers world powers could find ways of cooperating elsewhere, Africa, as a continent of little strategic significance, could become a battleground of mercantilism. Its mineral, oil and gas reserves would be exported with the acquiescence of superficially democratic leaders who represent a “new

model" of authoritarianism. These leaders could further their own financial interests by agreeing to deals that enable the importation and dumping of dangerous waste by other states. Increased urbanization in the form of proliferating slums, population increases, general disenchantment with the political leadership and the lack of true democracy would mean that virtually the only way in which people could influence the situation would be by resorting to violence. Thus the incidence of violent conflicts would increase. Regional cooperation would be hampered by clashes between China and the EU in their struggle for influence, so that SSA countries that might otherwise be willing to cooperate would not be able to do so because of their role as intermediates in the broader, global economic competition between the EU and China.

Such a course of development would mean in practice that no economic integration would take place in Southern Africa, while Central Africa would serve as an incubator for unrest and conflicts, generating a stream of refugees that would be a constant burden for its neighbours. Only fragmentary development could be achieved in West Africa because even internal political crises would continually be reflected in neighbouring countries.

Implications for Finland

Events in Sub-Saharan Africa will continue to affect Finland only indirectly. Developments within the EU and the intensification of cooperation with the countries on the Mediterranean coast of Africa will nevertheless mean that the SSA region will have an increasing effect on Finland. It is inconceivable, however, that Sub-Saharan Africa could pose a threat to Finland alone, but rather any threat that might affect Finland country, such as a pandemic, would already be global in nature.

Immigration pressures are likely to increase, especially if the less favourable scenario is fulfilled. Both legal and illegal immigration into the Schengen countries of the Mediterranean coast will increase. This would exert more pressure on Finland to accept legal immigrants on, "all member states should share responsibility for these people", which will become a familiar adage.

The two most common points of contact between Finland and Sub-Saharan Africa will be development aid and crisis management operations. The adoption of more coherent foreign, economic and overseas development policies by the EU would mean that less bilateral development work would take place in the future, because the efficiencies are much greater when such work is coordinated and done through EU channels.

Finland will follow the general trend in crisis management operations by which, towards the end of the period discussed here, the western countries will be providing logistic and financial assistance for operations led almost exclusively by the African Union. External help will still be needed to deal with major

conflicts, in particular during the first decade of the period, and in difficult cases these operations will continue to be led by the United Nations. Large military units gathered together from the western countries will be a rarity in such operations, however, and when they are deployed they will be under EU or NATO command. Such troops will normally only be sent to countries that are exporters of raw materials, to guarantee supplies, or else to places with a low risk profile. The environments in which operations take place will also alter with time, as urbanization advances, and the western troops will be required to be familiar with urban, jungle and waterborne warfare.

Not even the worst possible scenario for developments in Sub-Saharan Africa could pose any direct security risks for Finland. The most serious risk regarding the defence of Finland is that the Finnish Armed Forces would become too focused on crisis management operations. This could be the case if pressures increase for the dispatch of an unexpectedly large body of EU troops or a whole army. The risk of this happening will depend on Finland's security and defence strategies over the period in question.

The first essential when evaluating the future of Latin America is to delimit the scope of the concept. The Rio Grande is not a geographical dividing line but a cultural, economic and political one. America in its broadest sense, as a continent, will be a more important object of evaluation in the coming thirty years or so than it has been in the recent past,⁵³ and the decline in the importance of its internal divisions may be seen as part of the contemporary trend, influenced as it is by economic integration and regional patterns of migration. With the Latino sector accounting for more than 50% of the population in many places, at least the southern tip of Florida and the south-western corner of the United States can be regarded as part of Latin America in the literal sense, while there are a number of states in the bloc traditionally known as Latin America, such as Colombia and Peru, that are nowadays closely linked to the United States by new free trade agreements.

An alternative course of development for Latin America would be to seek closer contacts with Europe, and especially with the Iberian Peninsula, and a third possibility would be to reject both of the above and look to China for its future cooperation partner. China is certainly expected to increase in importance during the interval discussed here as far as the market for Latin American energy products is concerned.⁵⁴ Both geography and cultural differences will see to it, however, that China will not rise to the position of a significant external actor in Latin America in the short term.

Particular attention will have to be paid in any evaluation of the future of Latin America to relations with the United States, for these have determined the room for political manoeuvre that the Latin American countries have, and will continue to do so in the future, but it will also be necessary to consider the region's adaptation to the demands of globalization on a wider scale and to assess its relation to the European Union. Particular emphasis will have to be placed on the role of Brazil as an emerging power, and an attempt will be made here to put this phenomenon in its proper context. Other themes warranting more extensive discussion are the new rise of left-wing politics, trends in the energy market, the maintaining of control over economic fluctuations and the future of the democratic social order.

53 One work that deals with the history of the whole continent as a single entity and discusses many crucial questions that affect the whole hemisphere is Felipe Fernández-Armesto, *The Americas: a Hemispheric History*, New York: Modern Library, 2003.

54 "Latin America sees China in its future", *National Catholic Reporter*, 13/01/2006.

When seeking to model the world outlook on a larger scale it will also be appropriate to assess the development of the identities of the countries and peoples of Latin America, in order to evaluate how close a relation they could form with the Western security community. I will attempt in the first section below to present a balanced prediction of future development in Latin America, followed by a brief survey of factors that could lead to more favourable or less favourable trends or to less probable trends. Finally I will consider the implications for Finland of future developments in Latin America.

Basic prospects for 2030

Although the choice of Brazil as a fixed point for beginning our prediction is not a foregone conclusion, it is justifiable. Brazil is the only Latin American country that has a chance of developing into a regional pole of international standing within the space of just over twenty years. This trend will be supported by its steady but not explosive growth in population, which the UN has predicted to exceed 235 million by 2030 (having been 186 million in 2005).⁵⁵ This present rate of growth will provide an increased labour force while not yet endangering the dependency ratio. It is thought that the population of the whole of Latin America and the Caribbean may well have exceeded 720 million by the same year, having been 560 million in 2005, so that it would account for just under a tenth of the world's total population of 8.2 billion. For comparison, it may be noted that where Europe has over 720 million inhabitants at present, the figure is expected to drop below 700 million by 2030.

The international significance of Mexico, the second most populous country of Latin America after Brazil, will be limited by its proximity to the United States. As a member of the North American free trade area NAFTA, 70% of its trade is already directed towards its northern neighbour, and it is expected to attempt to strengthen its North American ties in the future, which together with mass emigration to the United States, will mean that it will scarcely be capable of serving as a core nation of the Latin American bloc in the future. On the other hand, the relation between Mexico and the United States can scarcely be expected to become any more equal by 2030 than it is at present, as the annual growth rate of 4.5% achieved last year will not suffice to bridge the gap without significant improvements in infrastructure, rationalization of the structures of the state and investments in health care and education.⁵⁶ Thus there will still be a substantial discrepancy between the two countries in standards of living in 2030.

55 Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2004 Revision and World Urbanization Prospects: The 2003 Revision*, <http://esa.un.org/unpp>.

56 "Plodding on", in *Survey: Mexico*, *The Economist*, 16/11/2006.

None of the other Spanish-speaking countries could alone be expected to challenge the supremacy of Brazil, as they are either too small or their economy and social system are unsustainable. Most of them, in fact, suffer from both problems. The success of the Mercosur free trade area (or Mercosul for the Brazilians) will be extremely important for countries like Uruguay, which is small but relatively prosperous, or Paraguay, which is small and poor, but the historically conflict-ridden relation between Brazil and Argentina will prevent this organization from ever becoming an instrument for uniting South America on the lines of the European Union. The two countries at the southern tip of the continent, Chile and Argentina will presumably maintain their leading position economically, while the status of Venezuela and the attempts made by President Hugo Chavez to challenge US hegemony in the region will be discussed below in the section on left-wing political movements and democracy. The advance of Chavez-style left-wing populism is a feature that will characterize this period, especially as far as the countries of the Andes and Central America are concerned.

Economics

The crucial question for the fate of Latin America will be its ability to achieve sustainable economic development. Argentina, for instance, suffered from a serious recession around the turn of the millennium, but was able to achieve an economic growth of 8.3% in 2006. Lying behind this growth, in Argentina as in other parts of Latin America, is the long-term interest shown by foreigners in their markets, and this is expected to continue in the period examined here. Although the world will tend to concentrate its attention and speeches on China and India, direct investments in Latin America can be expected to multiply many times over.

Brazil will achieve a major foothold in the outsourcing market, most significantly from American companies seeking partners with a similar cultural background and in a closer time zone than is the case with India, for example, as Brazil lies between the time zones of the United States and Europe.⁵⁷ The Brazilian economy as a whole has become bogged down at a growth rate of around 3% (2.9% in 2006), however, and although it is expected to rise to nearer 4%, no more substantial improvement is in sight. Thus it is difficult to imagine any vast growth by 2030. The main factor that could have a positive effect in this direction would be a very much faster increase in direct foreign investments. The difference relative to the spectacular achievements in China and India, however, lies in the fact that the initial level is so much higher in the case of Brazil.

One of the most significant among the many factors lying behind the weak economic growth recorded in Brazil is economic inequality, the huge income differentials that retard economic development and contain the seeds of social conflict.

57 "Soccer, Samba and Outsourcing?", Wall Street Journal, 25/01/2007.

The World Bank estimated in 2005 that in terms of its distribution of incomes Brazil was one of the ten economically most unequal countries in the world,⁵⁸ although it must be said that 15 years earlier the country had achieved the dubious distinction of second place in the world on this score. Fortunately, it is also likely that this development towards greater equality will continue, and that although income differentials will still pose a problem in Latin America as a whole in 2030, it will be a much less significant problem by then.

Another example of the weaknesses in the Brazilian social system is the recent strengthening of the national “landless peasants’ movement” (Movimento dos Trabalhadores Rurais Sem Terra, MST), campaigning for land ownership reform, although this movement has admittedly lost a lot of its middle-class support as it has become more radical. The current weakness of ownership rights can in itself be regarded as one of the reasons for the underdeveloped nature of the Latin American economies,⁵⁹ not only causing direct harm to the inhabitants of the region but also indirectly detracting from foreign investments. Particularly in the case of Brazil, the security of ownership rights can be expected to improve by 2030, as the administrative machinery becomes more democratic, but development in this respect will probably come to a halt or even be reversed in the countries ruled by left-wing populists such as the Chavez government.

Crime and terrorism

Major threats are posed to the social order in Latin America by crime and terrorism. Well-armed criminal groups in Brazil are capable of mounting highly destructive campaigns even from prison, leading to the deaths of thousands of people every year, and even if some of the largest gangs such as the notorious Primeiro Comando da Capital (PCC) were to be brought under control, it is hardly conceivable that violent crime could be eliminated by 2030. The situation will not greatly improve until the economy expands so rapidly that the opportunities for young men to find work become substantially better. The figures for 1997 suggest that in that year the price of violence in Brazil was equivalent to 10.5% of GDP,⁶⁰ and the losses to GDP attributed to crime are also alarmingly high in other countries, so that Colombia, for instance, lost 24.9% of its GDP to violence on the part of paramilitary criminal groups making their living from the cultivation of cocaine.

58 Edwin Goñi, Humberto López and Luis Servén, “The Rise and Fall of Brazilian Inequality”, World Bank Policy Research Working Paper 3815, January 2006.

59 For a closer analysis of the weakness of ownership rights and its influence on the economies of Latin America, see Hernando de Soto, *The Mystery of Capital: why capitalism triumphs in the West and fails everywhere else*, London, Bantam, 2000.

60 *The New Global Puzzle: What World for the EU in 2025?*, directed by Nicole Gnesotto and Giovanni Grevi, The Institute for Security Studies, p. 181.

The dividing lines between organized crime and political terrorism in Latin America are indeterminate, and both the PCC and the FARC in Colombia present features of both. Suitable conditions for the existence of these and other similar perpetrators of violence will continue to prevail in 2030, and there are no prospects of a quick end to the war on drugs conducted by the United States in Colombia nor of any way out from the economic losses and human suffering caused by acts of violence unless major structural changes take place.

Apart from the problems brought about by the international trade in drugs, many international terrorist organizations have infiltrated into Latin America. Thus the strategic significance of the “tri-border area” (TBA) between Brazil, Argentina and Paraguay at the Iguacu Falls, referred to by the Pentagon’s expert advisor on terrorism, Edward Luttwak, as the world’s biggest Hezbollah base after the Lebanon, will increase greatly by 2030.⁶¹ Local young men with an Arab background – apparently to be found in their tens of thousands – are recruited into the organization at the TBA and it is believed that al Qaida and Hamas also have a foothold there. The area has for a long time been for practical purposes lawless and has developed into a node for global crime, providing opportunities for money laundering, piracy and trade in arms and drugs. Although the United States and other elements in the outside world have been showing increasing interest towards criminal activities in the area, the operations conducted are out of necessity clandestine. The attacks on Israeli and Jewish targets in Argentina that were common in the 1990s will continue and it is highly probable that connections between the TBA and the planning of acts of terrorism in the United States will be revealed in the course of the period considered here.

Energy, natural resources and the environment

Fossil fuels will retain their position as the leading sources of energy in the world at least up to 2030,⁶² during which time the global energy requirement will increase by half again over the present level. Venezuela will retain its position as the continent’s largest oil producer and the largest among the OPEC members outside the Middle East, having possessed estimated reserves of 77 billion barrels in 2003.⁶³ This possession of oil will give Venezuela an opportunity to lead the revolt against the United States and bolster its own influence in Latin America. Relations between Brazil and Venezuela will be seen to have grown closer during the term of office of President Lula in Brazil, with considerable Brazilian investments having been made in the Venezuelan gas market.⁶⁴

61 Pablo Gato & Robert Windrem, “Hezbollah Builds a Western Base”.

62 World Energy Outlook 2006, International Energy Agency.

63 The New Global Puzzle: What World for the EU in 2025?, p. 61.

64 “Brotherly Love”, The Economist Intelligence Unit ViewsWire, 17/11/2006.

Although Brazil can be assumed to be more dependent on external sources of gas, it will have a distinct advantage over China and India in the field of energy as a whole, as the latter have a very much poorer degree of self-sufficiency overall. On the other hand, when Brazil achieved self-sufficiency in oil in the latter half of 2006, it was pumping oil at a rate which would exhaust its supplies completely by 2030.⁶⁵ Thus its current energy reserves will be severely tested if economic growth accelerates and talk of reliable supplies of its own will prove to be somewhat premature in view of the length of the time perspective adopted here. The closer relations with Venezuela point to the realization of this fact and are not indicative of the pursuit of any fundamentally ideological goals.

Although Brazil's oil and gas reserves are finite, it has the capacity to revolutionize the world energy markets with its production of ethanol from sugar cane. Brazilian legislation already lays down that every tankful of motor fuel should contain a certain proportion of ethanol. The problem affecting its wider distribution at present is its high price, but the Brazilians have an advantage in the global competition in this market, as they are the largest producer, partly on account of the superior efficiency of sugar cane for this purpose relative to the maize used in the US Mid-West.

Although carbon dioxide emissions and other forms of industrial pollution in Brazil and other parts of Latin America are not of the same order as in Europe, the United States or China, the region is threatened by other environmental problems. Some 25,000 square kilometres of rainforest in the Amazon basin are lost every year, mostly being cleared by burning, leading to an acceleration of climate change and destruction of the local soils. This can be expected to continue until 2030 unless alternative sources of livelihood can be found for the farmers of the area.⁶⁶

The state of democracy

Natural resources may yield quick riches, but they do not seem to be good for a developing democracy, as they permit a more authoritarian form of government than is typical of economies based on more conventional sources of growth.⁶⁷ Latin America has for a long time been afflicted with a ruling elite that does not enjoy the confidence of the populace,⁶⁸ and the consequences of corruption and corporatism are sufficiently long-lasting that confidence cannot be restored just like that. Democratic norms have become sufficiently deeply ingrained, however, that governments at least have to

65 Energy Information Administration, "Brazil: Country Analysis Brief", August 2006.

66 The New Global Puzzle: What World for the EU in 2025?, p. 81.

67 On the inverse relationship between political freedoms and oil prices, see Thomas L. Friedman, "The First Law of Petropolitics", *Foreign Policy*, May/June 2006.

68 Carlos Alberto Montaner, "Culture and Behavior of Elites in Latin America", in Lawrence E. Harrison and Samuel P. Huntington, *Culture Matters: How Values Shape Human Progress*, New York, Basic Books, 2000, pp. 44-55.

arrange seemingly free elections in order to obtain a mandate, even if there are no guarantees that personal freedoms will be respected once the elections are over. The phenomenon that Fareed Zakaria calls “illiberal democracy”, in which just the surface veneer of democracy remains, without actual freedoms, seems to be an alarmingly probable alternative for some parts of Latin America in 23 years’ time.⁶⁹

The political ideas that have been smouldering beneath the surface for many years and which Chavez now openly calls “communism” are beginning to resemble the authoritarianism of earlier times, while other hard-line left-wing leaders include Evo Morales in Bolivia, Rafael Correa in Ecuador and Daniel Ortega in Nicaragua. Ortega in particular has tried to convince the United States and other western countries that he does not pose a threat to the democratic order. Apart from Venezuela, which has become affluent on the strength of oil, the countries that have plumped for the left are at the lower end of the Latin American economic league table. They have their own reasons – from the Contra guerrillas to the war on drugs – for rejecting the United States and the pressures exerted by the remainder of the outside world, and it is likely that their forceful swing to the left will still be visible in 2030 and that the present administration or a direct successor will still be in power in two or three of these countries. Although the communist state of Cuba will cease to exist in its present form after the death of the Castro brothers, a semi-authoritarian regime inspired by Chavez and Morales may well survive there.

The fate of democracy in Latin America will depend greatly on the vitality of the party system. Parties are apt to form new associations and coalitions constantly, and the old systems are being rocked by the appearance of new popular groups, particularly ones representing the indigenous inhabitants, as has been the case in both Bolivia and Ecuador.⁷⁰ The party spectrum can be expected to remain in ferment during the period covered by this survey, especially in the case of the Andes region, where there are large groups of indigenous people who have become alienated from the mainstream of society.

The international status of Brazil and the Latin American security environment

Although Latin America and the Caribbean are often regarded as forming a strategically silent, somewhat distant and in a sense unimportant region, we should not be deceived by this image. Contrary to most expectations, it was precisely here, in Cuba, that the major powers came closest to a nuclear confrontation during the Cold War,

69 Fareed Zakaria, *The Future of Freedom: Illiberal Democracy at Home and Abroad*, New York: W. W. Norton & Company, 2003.

70 Jóhanna Kristin Birnir and Donna Lee Van Cott, “Party System Fragmentation and the Dynamic Effect on Ethnic Heterogeneity on Latin American Legislatures” in *Latin American Research Review*, 2007, Vol. 42, Number 1, pp. 99-121.

and if Iran were to join the nuclear club following the successful nuclear test in North Korea, it is quite possible, if not predictable, that Brazil will have acquired a nuclear weapon by the year 2030. This largest country in Latin America succeeded in enriching uranium last year,⁷¹ and has dealt somewhat abruptly with the IAEA inspectors, leading to strained relations that can be expected to continue until 2030 at least.⁷²

A Brazilian nuclear weapon would destroy the status of Latin America as a nuclear-free zone, which was one of the foundations of the accord between Brazil and Argentina, and give the latter the excuse to restart its own, once suspended nuclear programme. The reasons for Brazil's action would not be regional as much as global, however, and thus the international community may succeed in persuading the country to stop short of an actual warhead. It is nevertheless clear that nuclear weapons will be of increasing importance for the definition of major and intermediate world powers in the course of the period discussed here, and Brazil is the only one of the BRIC group of emerging nations that does not have nuclear weapons at the present moment. Since the United States has not raised much of an outcry about the Brazilian aspirations, it may be that it sees them as extending no further than membership of the same group as India and the other democratic countries. Double standards live on in the environs of the NPT regime, and will still be in fine fettle in 2030. Although Brazilian progress in nuclear technology may put pressure on Argentina to resume its own programme, it is quite possible that Brazil may preserve its lead for the whole of the period examined here. It may also be that Argentina will understand the global dimension to the Brazilian project, although this is less likely.

Brazil's role as the pole of development in South America will not necessarily lead to severe competition with the United States, for although the country will seek a more powerful position on its own continent, it could never set out specifically to oppose US hegemony. The importance of trade between the two countries would gain precedence over any such effort, and Brazil's resources would not be adequate to the task of questioning the supremacy of the United States very seriously. On the other hand, Brazil's ascendancy could hamper its relations with its neighbours. The choice made by the Brazilians will depend very much on the direction in which power politics evolve in Latin America. The strategic balance in the region would be helped if Brazil were to drop the developing of a nuclear weapon at the deterrent stage, just short of obtaining a bomb.

The question of the formation of a regional and national identity is a difficult one to define and deal with, but it is nevertheless likely to be a fairly significant factor for development in Latin America in the long term. Samuel Huntington, for instance, when writing about clashes of civilizations, defines Latin America as form-

71 "Brazil joins world's nuclear club", BBC, 6/5/2006, <http://news.bbc.co.uk/2/hi/americas/4981202.stm>.

72 Brazil has shown that it is prepared to defy the IAEA if necessary. This became particularly evident in the controversy over granting the inspectors access to the Resende installation in 2004.

ing a separate cultural sphere from the western countries and emphasizes its corporate and authoritarian culture, so that he does not regard it as a part of the political west even though it has much in common with the west in cultural terms.⁷³ Both Europe and America must consider carefully whether they want Latin America as an ally. Is the Brazilian identity to develop in a “western” or a “southern” direction, for instance? With the western countries declining in population relative to the rest of the world, one would imagine that there might be room for newcomers in the camp.

The European Union will undoubtedly work to improve contacts with Latin America, especially as it is the principal trading partner for most of the South American countries, ahead of the United States. The Ibero-American dimension is particularly important for the westernization of the Latin American identity, of course. Only the other hand, even if cooperation with Europe were to increase, geographical realities, the continued supremacy of the United States, migration flows within the American continent and the rise of new free trade agreements will all see to it that integration with North America is the stronger trend. The only factor preventing this integration on any very large scale will be the left-wing movement characteristic of the present times.

A more favourable scenario

Any prediction of the situation in 2030 should also take into account the year 1984. If we compare the present situation with that of 23 years back into the past, the improvements are obvious. At that time, Pinochet was in power in Chile and there were not many other countries where democracy could be said to have gained the upper hand, either. Inflation was rife, and many states were in danger of collapsing under the burden of debt. An optimist today might well be of the opinion that an extensive, continent-wide free trade area could be in place in Latin America by 2030. Thomas Barnett, for instance, believes that the FTAA could see the light of day by 2015.⁷⁴ An alternative to a free trade area could be closer economic cooperation with the EU, leading to at least some customs concessions. In any case, the hard-line left-wing authoritarianism that originated with Chavez will have come to a halt by that time as the people will have demanded the restoration of their rights, and Latin America will have taken on a more distinctively western identity under the influence of economic growth and cultural exchanges. This association with the west will have led Brazil to abandon the path of nuclear armament and the principle of a nuclear-free zone in Latin America will have been maintained.

73 Samuel P. Huntington, *Clash of Civilizations and the remaking of World Order*, London, Simon & Schuster, 1996, especially p. 45.

74 Thomas P. Barnett, *The Pentagon's New Map: War and Peace in the Twenty-first Century*, New York, G. P. Putnam's Sons, 2004, p. 380.

A less favourable scenario

If the foundation of the Latin American economy falters, the burden of debt becomes unbearable and inflation returns to the rates experienced in the 1980s, the political system over the whole continent will suffer. The undisturbed stability of Cuba following the incapacitation of Fidel Castro through illness will have served as evidence for the sustainability of an authoritarian regime, and Cuba will still be a closed society in 2030. If the economy over the whole continent is in disarray, the hard-line populist left-wing movement will gain fresh support. Chavez-style politics will thrive, particularly in the Andes region and Central America, unless globalization produces the desired results. Other conceivable dangers would be a perpetuation or exacerbation of gangster warfare in Brazil and an inconclusive prolongation of the war on drugs. It is possible that the Democrat president of the United States elected in 2009 will listen to protectionist supporters and the free trade areas planned with Latin America will fail to come about.

If Brazil takes substantial steps towards nuclear armament this may send the whole process of ensuring peace between the nations of Latin America into turmoil. Argentina would be capable of obtaining comparable weapons by 2030 in spite of the lack of development work at the present time. Meanwhile the descent of Venezuelan society towards greater authoritarianism could lead to an open conflict with the United States. Chinese influence in Latin America could also worsen relations between it and the United States, so that the countries of the region could find themselves in the role of pawns in a struggle between these major powers. It would then be necessary to conclude that democracy was just a passing phase in the history of Latin America that happened to come around the 1990s and the turn of the millennium. The same eternal problems, ranging from violence to authoritarianism, would return to afflict a continent that was after all not ready to undergo any permanent change.

Implications for Finland

Strategic, economic and social developments in Latin America will affect Finland only indirectly, by at least four routes. The majority of the effects will be reflected via the European Union, particularly through the countries of the Iberian Peninsula. Daily dealings with Latin America will take place in the framework of EU cooperation and will be restricted by the priority assigned by the countries concerned to relations with the United States.

The second means by which the realities of Latin America will impinge on Finland will be through the activities of large Finnish companies and other non-governmental actors. The increasing importance of globalization will mean that Finland will have to be prepared for the problems experienced by Metsä-Botnia in Argentina and Uruguay repeating themselves elsewhere. One cannot take it for granted that

people in all corners of the world will necessarily understand the difference between the actions of a private person or organization and a country's official policy or approve of making such a distinction, and thus the deeds of individual Finnish actors may have quite unpredictable repercussions for the security of the whole nation. The war memorial controversy in Estonia and the cartoon episode in Denmark are further examples of how modern information and communications technology can enable a local incident to transform itself into an international crisis.

It is possible, of course, that the influence of Latin America could be seen more clearly in Finland, too, if Brazil aspires to more powerful intervention in international affairs that simply regional hegemony. This would indeed usher in a new period in history, as Brazil would be capable of bringing the geopolitical domination of the Northern Hemisphere to an end and creating a totally new paradigm. Such an upheaval is hardly to be expected, however, on account of that country's slow rate of economic growth, its persistent social problems and the control exercised by the United States.

The fourth and least probable way in which Latin America could affect the future of Finland would be through a wave of left-wing ideology passing across the Atlantic to Europe. Although the doctrines espoused by Chavez may well stamp their image on the period up to 2030 as far as Latin America is concerned, they must be regarded as little more than a local phenomenon. The attraction of Latin American left-wing movements and the admiration shown for them in Europe are no longer what they used to be, partly because the underdevelopment and natural resource-based economy out of which Chavez's ideology has arisen are not part of our European reality. The decline in the significance of Marxist ideology will similarly protect Europe from new populist left-wing movements.

Predicted development

The challenges for the social system of the small nations of Northern Europe in the immediate future, threatening the functionality of these states and limiting their scope in matters of defence and security policy, are likely to come from two directions: within the societies themselves and from the general economic situation.⁷⁵ Ageing of the population will place a heavier burden on the health system, increase the pressures to set aside a greater proportion of the nation's resources for this purpose and weaken the position of the economically active sector of the population. It will also mean a decline in tax revenues and create pressures for a reduction in defence budgets. Operating conditions for private companies will deteriorate on account of a shortage of labour, and there will be pressures to encourage immigration in order to solve this problem, which could lead to polarization of society in these countries on the lines of ethnic origin, language or religion. Access to the knowhow that these countries most need may be restricted by their small size, somewhat remote location and cold climate. At the same time, the phenomenon known as globalization will constitute a challenge for the traditional Nordic model of the welfare state and bring with it new threats and problems. It may even be, however, that in spite of some local difficulties, climate change could prove to have overall beneficial effects in this region,⁷⁶ although this would presuppose that the warming of the climate remains of moderate proportions and that no uncontrollable influx of population or extensive epidemics of infectious diseases enter the region from other parts of the world. If, on the other hand, the climate in these northern areas were to become cooler, on account of changes in ocean currents or the onset of a "little ice age", this would create difficulties for agriculture and

75 The evaluations of economic trends presented here make substantial use of the Finpro reports on these countries (www.finpro.fi/markkinatieto). The resulting statements and conclusions are nevertheless the author's own.

76 It is estimated, for instance, that sea levels will rise only a few tens of centimetres over the period discussed here, and then mainly on account of volumetric expansion of the water, although levels will rise very much more in the long term. For more information on climate change and its estimated effects, see the International Panel on Climate Change (www.ipcc.ch) or Woods Hole Oceanographic Institution (www.whoi.edu).

make it expensive to maintain the present way of life.⁷⁷ The largest and most successful traditional industries will have moved their production to countries where costs are lower, and this will have forced governments to dismantle their social security and labour systems in order to guarantee employment for the labour force. The most innovative and technically demanding companies and functions, including the high-tech fields, advanced services and other branches entailing a high degree of processing, will prove very successful, however, so that societies and regions will find themselves specializing in certain fairly narrow fields to an even greater extent than ever before.

In the case of Sweden such areas of specialization could include management and consultancy services, advanced information technology and specialized mechanical engineering, while Norway would concentrate on maritime functions and attempt to continue as a large-scale oil and gas supplier and Denmark would continue to provide services, manufacture advanced industrial products and produce foodstuffs. The Norwegian and Danish economies would suffer from the progressive decline and eventual exhaustion of the North Sea energy reserves in the 2020s,⁷⁸ but overall production would be increased as a result of the exploitation of new deposits off the coast of Finnmark and in the southern parts of the North Sea and of intensified gas production from both new gas resources and the old oilfields, since although a half of the total oil reserves will have been used up by 2010, only a quarter of the gas reserves will have been tapped. By the late 2010s at the latest, attention will nevertheless be focused on the disputed areas of the Barents Sea and on exploitation of the deposits controlled by Russia. The timing of the commencement of production will depend greatly on energy prices and its availability from other production fields in Russia. Meanwhile, Denmark will try to make greater use of the opportunities afforded by Greenland, and the Baltic States will succeed in attracting foreign investors and companies for some time by virtue of their aggressive financial policy and low labour costs, but their lack of a strong industrial tradition will make it more difficult for them to achieve steady growth in the second half of the next decade. One consequence of specialization and the subsequent elimination of functions will be a progressive dichotomy in the economies of all these countries. As far as the continuation of peaceful social conditions is concerned it will be essential, unless trends can be altered in some way, that the lines on which the divisions in society take place should not coincide to the extent that clearly defined sectors emerge in which people fairly badly on all scores.

77 The general warming of the climate may well lead to a slight local cooling in the area of the North Atlantic.

78 Roger Blanchard, *The Impact of Declining Major North Sea Oil Fields upon Future North Sea Production*, North Kentucky University, 2000.

As far as foreign policy is concerned the countries will move closer together. They will all have been members of the European Union for a considerable time and will have no difficulties in following common policies other than when periodic problems arise with Russia, which will inevitably cause those having a common frontier with that country to differ in attitude from the rest. Problems may well arise over the ownership and exploitation of the Barents Sea energy reserves and over shipping on the Baltic Sea. Other major issues are likely to concern relations with and attitudes towards other countries outside Europe. China and India will be important trading partners for all the Scandinavian and Baltic countries, and Argentina, Brazil and Chile are likely to emerge as being of particular economic importance to Sweden and Denmark. Meanwhile, the Baltic States will make major efforts in the direction of the Ukraine and Belarus. With regard to climate change and other environmental questions all the countries are likely to pursue a common strict policy of protection and pollution restriction.

In matters of defence policy the countries can be expected to pursue a programme of well-coordinated collaboration based on a sound division of labour.⁷⁹ Their defence policies will be grounded in membership of all the western defence organizations and participation in all crisis management arrangements. Every effort will be made to ensure functional bilateral relations with the United States and at the same time to broaden cooperation with Russia. The countries will differ somewhat in their perceived threats, chiefly for geographical reasons, but this will not prevent mutual collaboration, in fact it is more likely to promote collaboration, as the countries will, partly of their own free will and partly by force of circumstances, have specialized in the areas and functions that are of most significance for each. Any broader operative capability will be based on international cooperation and the military power that can be amassed through such channels. The occurrence of symmetrical warfare between the armed forces of two sides will not be regarded as a likely prospect, but rather the threats will be of an asymmetrical nature, which will be regarded as unfortunate as far as operative capabilities are concerned, as it will mean that operations are likely to be more complex, various functions will have to be combined and preparations will have to be made for action in unexpected circumstances. The stage of intensive warfare may be very short indeed, but its repercussions and the latent stage could last for a very long time. There will thus be a tendency to plan for a national level of performance that will enable a brief intensive encounter to be undertaken together with a long period of command and coordination functions in connection with an international operation. The accent in overall national defence in the Nordic region will shift at some time around 2010 from a concentration on military threats and actions to a concept of the defence

79 This discussion of defence policy and the development of the armed forces is based on the most recent official accounts and reports for the countries concerned. The resulting statements and conclusions are nevertheless the author's own.

of society at large in a manner that will guarantee its vital functions and place emphasis on collaboration between the authorities.⁸⁰

The need to form rapid deployment forces together with other countries will lead to major changes in defence policy as far as Sweden is concerned. More intensive collaboration will be required in the field of intelligence, there will be greater emphasis on the capacity for undertaking joint operations and this capacity will be required in all aspects of defence and at all levels. The networking priorities will be international rather than national, and will enable lower-profile organizational structures and a leaner command structure, so that the Swedish defence forces will be reduced to a relatively small organization. This will also mean a concentration on core functions. National service will be retained, but only on a voluntary basis under normal conditions. This will allow for the recruitment of professional soldiers and of personnel for international missions and will serve the goal of securing the functions that are vital to society. Contract soldiers will be employed alongside conscripts, and the number of Swedish soldiers engaged in international operations at any one time will become established at around 2000. The defence industry will come to specialize in command systems, sensor technology and unmanned aircraft, while the construction of either surface vessels or submarines will be discontinued by around 2015. Industrial cooperation with other European countries having a substantial defence industry will continue, as also with the United States, but new markets will be sought in China, India and Latin America at the same time.

Norway will lay stress on its maritime economic interests and the significance of the freedom of the seas. The focus of its national defence policy will be on supervision of its sea areas and a military presence on the seas of the north. The Norwegian defence forces will transfer to a professional army system by 2020 at the latest, at which point they will do away with the traditional division into branches of the armed services. A reserve of more than 100,000 soldiers (including civil defence troops) will be maintained until the year 2020, after which these activities will be concentrated only in a few key areas, i.e. electronic surveillance and the deployment of intelligence forces, frigates, air support for operations at sea,⁸¹ commando troops and anti-terrorist activities. The remaining units will be concentrated on training and tactical activities and will be capable of carrying out specialized operations of a restricted nature in cooperation with the police and other national and international authorities and actors where necessary. Norway will take part in all the EU security and defence policy projects and operations, including its various rapid deployment and crisis management forces, and will possess well-trained troops and units for use in intelligence, maritime operations and air defence and

80 Anu Sallinen, *Sotilaallinen maanpuolustus ja yhteiskunnan elintärkeiden toimintojen turvaaminen Pohjoismaissa 2000-luvulla*, Publications of the Finnish Ministry of Defence, no. 2/2005, Helsinki, 2005.

81 TASMO, *Tactical Air Support Maritime Operations*.

headquarters detachments for most kinds of international operations. The country's defence industry will concentrate on a few individual high-tech products and system components, including cruise missile technology and general and maritime command, intelligence and surveillance systems.

The Danish defence policy of the future will be more closely integrated into both national, or internal security policy and foreign and external security policy, with the general objective of preventing war and conflicts from arising and of promoting world peace and the realization of democracy and human rights. The principal threats envisaged are interference in the functioning of society as a consequence of terrorism or organized crime and the repercussions of local or regional conflicts. Although a significant and visible part of the activities of the defence forces will take place beyond the borders of the country itself, the general aims of these forces – and thereby the demands with regard to their capabilities – will continue to include the protection of Danish sovereignty, the existence of the state and the integrity of its boundaries. The country's defence policy and defence forces will be looked on as being active in two areas: the guaranteeing of an extensive measure of security for society at large as a part of the overall national defence and the execution of collective defence and crisis management missions. The national performance capability up to the year 2010 will be restricted to rescue services, territorial surveillance, local defence assignments, the containment and elimination of terrorist atrocities and limited military operations. More extensive operations will call for allied support and participation, because the intention is to do away with broad-scale mobilization as the basis for training a defence force that can be placed on permanent alert. In spite of the reduction in manpower and the reshaping of missions, the armed forces will retain a balanced structure in terms of the three services up to 2020, when Denmark, too, will specialize in certain areas and this traditional structure will be abandoned. National service will become more voluntary in character, so that apart from the civil defence corps, the changeover to professional forces will have taken place by 2015.

The defence forces of the Baltic States will be highly specialized and entirely integrated into NATO activities, producing small, highly trained units for demanding ground force assignments. These countries will unreservedly take part in international crisis management operations, forming a joint mechanized infantry battalion for the purpose. Their national defence capabilities are largely limited to the providing of assistance to the police and immigration services.

A more favourable scenario

In the best case, the countries will succeed in responding to the social challenges facing them and those brought about by globalization without suffering from any serious internal or economic problems. The welfare state and general peace within society will have been preserved, and climate change will have been responsible

only for occasional local floods and storms, while both agriculture and tourism will have benefited from the warmer conditions. There will not be any increase in the resources available for defence, however, so that the specialization, reduction in functions, division of labour and increased collaboration described above will be unavoidable. Collaboration will be extended in the next decade to concern mutual exchanges of information with Russia on the situation in the Baltic Sea, joint training of crisis management forces and the provision of military assistance. In addition to joint international activities, stronger demands will ensue for a rational division of labour between the national forces and a general lowering of the boundaries between authorities and between the public and private sector.

Once Russia has realized that it does not alone possess the resources or technical expertise to exploit the energy reserves of the Barents Sea efficiently on its own, it will begin collaboration with Norway for this purpose some time before 2020. This will also lead to a peaceful solution to their frontier disputes. One motive for this cooperation with Norway will be Russia's desire to keep the large European and American energy companies away from the new oil and gas fields.

A less favourable scenario

A less favourable course of development could arise out of an escalation in the difference of opinion between Norway and Russia over the Barents Sea into an overt political, economic and military conflict. The Russians would not need to increase their political, economic or military strength in order to threaten Norwegian sovereignty or economic interests; it would be enough to interfere directly or indirectly in Norway's energy production, which they could do by exercising influence through the originally Norwegian oil companies they have acquired, by precipitating a price war or by increasing their military presence in the Barents Sea and the Svalbard area. The later this happens within the period examined here, the more serious the consequences will be for the Norwegian economy and the greater the problem for the country's own defence forces. It will depend on the political pain threshold for Oslo as to when the matter is brought up with the European Union and NATO, with accompanying demands for support. One problem for Norway will be that if Russia has behaved peaceably in other respects and in other places it will be extremely difficult for the member countries in these organizations to treat the situation as a serious one, while if they are already committed to action against Russia or any other adversary on another front they will scarcely have the resources to direct towards the northern Arctic Ocean. A confrontation between Norway and Russia could indeed escalate remarkably quickly into a local encounter at sea and in the air, and it is obvious that Oslo will attempt to obtain support directly from Washington in addition to relying on its formal alliances.

Russia will attempt to bring the issue to a head in a gradual manner and keep the other countries of the region and the western alliances out of the conflict by employing a restricted show of force. Thus the situation in the Baltic will remain mostly fairly calm, although the countries in this region will increase their surveillance and military presence. The Barents crisis will pose a severe challenge for those in the west responsible for seeking joint foreign and defence policy solutions, as Norway will expect to receive support and this will be a matter of some importance to its allies both in principle and as far as their energy supplies are concerned, while they will have to carry out something of a balancing act in order to maintain good trading relations with Russia.

Implications for Finland

The predicted course of events in Scandinavia and the Baltic States will impinge directly on Finland's defence policy and defence industry and on the manner in which its Defence Forces are to be developed, and it will affect the country's security policy, the extent of which is essentially dependent on the choices and commitments in force at any particular point in time.

Finland will be increasingly frequently asked to take part in extensive, closely knit joint operations, and this activity will intensify even if we do not join NATO. It may initially cover mainly extended maritime surveillance and will then probably expand to include air reconnaissance before leading to the formation of joint troops, first with Sweden and later also with Norway. One natural location for such collaboration in addition to the Baltic Sea, the Nordic air space and international crisis management would be the region of Lapland, Norrbotten and Finnmark. International collaboration in the future may include disarmament and arms control operations, and in the case of Finland perhaps also national inspections of shipping on the Baltic Sea and corresponding duties in other European sea areas carried out jointly with Scandinavian or western partners. This increased cooperation may partly be brought about and facilitated by the obscuring of the boundaries of the western organizations, to the extent that if Russia were to make active moves to avoid involvement in this extended defence cooperation, the outcome could be more detrimental to Finland than an extension of Nordic-Russian collaboration.⁸² In the case of the intensification of exclusively western defence cooperation, it is conceivable that situations could arise in which Finland was compelled act contrary to Russia interests, e.g. to inspect Russian ships or ships making for Russian ports.

The division of labour between defence forces and the consequent specialization could open up new opportunities for Finnish companies to develop their own expertise. If the building of surface vessels comes to an end in Sweden, for

82 On the assumption, that is, of a categorical refusal by Finland to take part in joint exercises with the Russians.

instance, it may leave new markets open for the Finnish shipbuilding industry. On the other hand, the pressures of the division of labour may serve to restrict the scope of smaller Finnish companies from the outset.

Where trends in Scandinavia, especially Sweden and Norway, are concerned, it should be noted that in spite of the different defence policy options open to them at the moment, Finland is suffering from the same state of imbalance now that prevailed in Norway in the 1990s and Sweden in the early years of the new millennium. The defence forces are suffering from a constant financial crisis on account of a stable or diminishing defence budget, given the perpetual rise in staffing costs and annual increases of 5-7% in material costs. Thus Finland is now having to enforce the same measures which our western neighbours undertook then or are predicted here to undertake in the future – since national resources are inadequate for the maintenance of a full-scale, independent national defence system anywhere in the Nordic region.⁸³ One successful solution to this problem is increased collaboration, which makes it possible to manage without certain previously important national resources or functions.

Should a serious political and military crisis arise in the region of the Barents Sea, this would inevitably have direct repercussions for Finland. Politically, the country would be drawn into the front line if Norway were to appeal to the European Union (of which it is assumed to be a member by that time) or to NATO (of which Finland could be a member by that time), and it is then probable that Russia would exert political and economic pressure on Finland to refrain from expressing open support for Norway's requests in meetings of these organizations. Russia would not exercise military pressure on Finland, however, because it would be in its interests to limit any crisis in the northern sea areas to local or bilateral proportions.

In military terms, such a situation would nevertheless increase the need for surveillance of Finnish airspace and possibly other duties connected with membership of defence alliances according to the country's obligations at the time, and also the provision of direct military support for Norway. If we were a member of NATO by then, the situation would call for a state of command alert and a state of military readiness in the Lapland and Northern Calotte region, although on account of its maritime nature the conflict is unlikely to spread even to the land area of Finnmark. Intensified surveillance should be an adequate response in the south of Finland and the Baltic Sea area.

In economic terms, a confrontation in an area of value for energy production and the consequent delay in its exploitation would result in a shortage of energy sources and a rise in world market prices.

83 For more details on the internal dynamics of defence budgets and Nordic examples of this, see Mika Kerttunen, *Rahat lopussa. Suomen puolustuksen kritiikki*". Suomen sotilas, no. 3, 2006.

NATO as a defence alliance

NATO will retain its role as a politico-military alliance for the collective defence of the territories and interests of its member states, and the Fifth Article will maintain its significance as the central unifying force behind its activities.

The United States will still be committed to Europe in the future in spite of the increasing importance of the Asian countries, provided, of course, that the European members can preserve their unanimity of attitude towards the altered international security situation at least at the current level and commit themselves to developing the necessary military capabilities. The European countries will not constitute a uniform entity within NATO, and France in particular will continue in the future to favour European-centred policies.

Attitudes towards the traditional defence dimension based on the Fifth Article of the NATO treaty will continue to be equivocal. Poland and the Baltic States, for instance, will remain suspicious of Russia, regarding it as a significant threat, while the majority of member states will lay more emphasis on terrorism and broader security risks.⁸⁴ Conversely, the Russian attitude towards NATO will continue to be tinged with suspicion until well into the 2020s, on account of the organization's expansion and the spread of certain armament systems into Eastern Europe. In spite of this, however, Russia will enter into closer collaboration with NATO in connection with both crisis management and anti-terrorist operations.

The economies of the European members of NATO will permit the development of a new generation of long-distance impact military technology, but these advances will proceed slowly, thus increasing the lead already possessed by the United States.⁸⁵ It is probable, however, that by 2030 the European states will have adapted their armed forces to the demands of the more recent threats (in terms of global mobility, long-distance impact, diversity and capabilities for taking part in joint operations outside their own region), even though, with the continuous rise in the costs of weapons technology, this will in some cases necessitate defence budget increases.

84 The White House: The National Security Strategy of the United States of America, March 2006, p. 39. The United States will nevertheless recognise the uncertainties involved in Russia's path towards democracy: "We must encourage Russia to respect the values of freedom and democracy at home and not to impede the cause of freedom and democracy in these regions."

85 Allied Command Transformation, p. 1.

There will be numerous European member states, however, that will not increase their defence budget in order to create the optimally equipped, highly professional troops and capabilities required by NATO,⁸⁶ principally on account of a decline in economic growth and pressures created by ageing of the population in Europe, which will force them to reduce defence spending and transfer resources to the maintenance of welfare services. By contrast, the population of the United States will remain relatively young on average, thanks to immigration and a high birthrate.⁸⁷ One essential consideration in the allocation of resources will nevertheless have to be the success of NATO-led operations, in order to retain support and legitimation for them.

The United States will still be firmly committed to NATO and to Europe in 2030, in spite of the fact that the European allies do not form as unanimous an entity as the US would wish, nor one that is prepared to make the sacrifices that it would wish for. The US global strategy will rely on the contributions of its allies, and it will reduce seeking support of short-term alliances and ones that hold good for the duration of a single operation.

NATO will expand during the period in question to encompass virtually all the present militarily non-aligned countries of Europe, the nations of the Western Balkans and such states as the Ukraine, Georgia and Azerbaijan. This diversification of membership will lead to the formation of more clearly defined units among the armed forces according to the level of development in the respective countries, and as modernization, transformation and professionalization will proceed at different rates in these units, the financial burden arising from the collective defence system and the various crisis management operations will be distributed unevenly. This will imply in practice a decline in the ability of the European members to participate in such operations in comparison to the gradually increasing capacity of the US to provide security guarantees also for the more distant members.

The United States will reduce its network of military bases throughout Europe during this period and will not establish any new large bases, while in connection with the same policy it will station parts of its advanced weapons systems in Europe and adjacent areas. Similarly, the permanent NATO command structures will be reduced, and the most important aspect for the future will come to be the ability

86 NATO does not insist on its member states devoting a precise proportion of their GDP to defence expenditure, but the unofficial target is 2.0%.

87 Grevi, Giovanni and Gnesotto, Nicole (eds.): *The New global Puzzle – What World for the EU in 2025?* EU Institute for Security Studies 2006, pp. 19-20. This document maintains that the combined population of the EU countries will increase from 458 million to 470 million by 2025, with a simultaneous rise in the proportion of elderly people (aged 65-79 years) from 37% to 48%. Correspondingly, the population of the United States will increase from 296.4 million to 364 million by 2030 and the proportion of elderly people from 41% to 45%, with the economy remaining dynamic by virtue of the high birthrate.

to provide the necessary mobile elements of command structure for rapid deployment troops, which can then be supplemented with national command personnel on a rotational basis. On the strength of these arrangements the US will still be regarded as committed to the defence of the European continent in spite of having reduced its number of bases.

NATO as a crisis management organization

NATO's principal roles will be to carry out crisis management operations in areas outside Europe and to share the burden of the global battle against terrorism with the United States. The US will continue to fall back on NATO for its stabilization, reconstruction and crisis management operations.⁸⁸

The NATO crisis management capability will include a powerful civilian component, implying the development of a greater diversity of approaches. The alliance's main task outside the provisions of the Fifth Article will be to maintain stability in areas of strategic importance, for which purpose it will make use of the national resources and specialized knowhow of member states in a customized manner with respect to each assignment separately. It is quite possible that NATO and EU civilian crisis management components may be deployed at different stages in the same crisis, given that the EU resources will be geared more towards social reconstruction in the aftermath of a crisis whereas the NATO capability will focus on the initial and stabilization phases of a crisis and provide support for the delivery of immediate aid in disaster situations.

It may be assumed that NATO will enter into closer collaboration with the United States' principal allies and that Japan, Australia, New Zealand and South Korea will develop crisis management components capable of participating in joint operations, initially through the staging of exercises and participation in small-scale operations. This emerging collaboration will add value to the US and NATO global crisis management dimension, but these nations are not expected to aim at actual NATO membership during the period in question.⁸⁹

Afghanistan will remain a stumbling-block for NATO for a long time to come, and the success of the ISAF operation will be a matter of great importance for the whole existence of the alliance. Retreat would be a catastrophe for the people of Afghanistan, for the international struggle against terrorism and for the credibility of NATO.⁹⁰

88 Myers, Richard: *Collective Defence in the 21st Century*. *Rusi Journal*, October 2005, NO. 5, p. 14.

89 Department of Defense: *Quadriennial Defence Review Report 2006*, pp. V and 6. The report states that "Alliances are clearly one of the nation's greatest sources of strength. Over the past years, the North Atlantic Treaty Organization (NATO) and U.S. bilateral alliances with Australia, Japan, Korea and other nations have adapted to retain their vitality and relevance in the face of new threats to international security."

90 Robertson, George: *The Future of NATO*. *Harvard International Review*. Vol. 26 (3) – Fall 2004.

This will nevertheless prove to be a crisis management assignment of the toughest order, and the United States and its allies will not yet have succeeded in shaping Afghanistan into a stable, functional state by 2030.

As the operation in Afghanistan draws on, NATO will find it increasingly difficult to initiate new demanding crisis management operations. It will be hard to release troops from Afghanistan and efforts to commit troops to new operations will encounter political and moral resistance. This will force the US and NATO into a closer division of labour and specialization with the EU.

The United States will preserve its powerful position as a global resolver of military crises, and one of NATO's basic duties as a major US-European collaboration organization will be the maintenance of stability, and where necessary the re-establishment of control, in strategically significant areas. The western nations will follow a consistent policy with regard to states that are collapsing or are judged to be in danger of doing so.

The main principle for action in future crisis management operations will be that the United States, either alone, together with its NATO allies or supported by an ad hoc coalition, will conduct interventions by its rapid deployment troops, after which a multinational stabilization operation will be mounted in the crises area under NATO, EU or UN leadership. International humanitarian and economic aid organizations will be integrated at all stages.

In spite of the progress made towards integration, it will prove far too difficult to develop a common global concept and policy for regulating the use of armed forces. The reasons for this will lie in fluctuations in the political will to do so, a general decline in western values, the divergent views of member states on the justifications for the use of military force and the disparate array of potential opponents. This will lead to a lack of coherence that could significantly undermine efforts to develop NATO into a tightly knit, efficient instrument.

Conclusions

By 2030 the armed forces of the European members of NATO will clearly be constructed to take on crisis management duties outside their own area. These operations may extend over long distances and to new territories. NATO will experience more severe competition over the right to take charge of the planning and preparations for crisis management operations, while other nations engaged in developing their own capabilities for such operations, such as China and Russia, may well be inclined to act more from a national viewpoint.

The armed forces of the European members of NATO will continue to become more professional and smaller in size, and NATO will retain its role as the principal agent for transformation with regard to the organization of troops, principles of action and technological solutions.

Differences in opinion are likely to emerge between the European NATO members and the United States to varying extents over the development of the defence alliance and its tasks, partly for geopolitical reasons. These crisis could lead to more balanced transatlantic relations and bring the role and direction of NATO more in line with the European view.

The energy-critical regions of the Middle East and Central Asia will remain volatile during this period, and the promotion of stability there will be a matter of common interest for the Europeans and Americans and thus one of the main tasks of NATO.

NATO will develop its integrated model of crisis management on the strength of the military and civilian components offered by its member states. No new full members will be recruited to NATO from outside Europe, but cooperation with strategic partners will be greatly strengthened.

A more favourable scenario

It is probable that no major differences in opinion may arise between NATO members regarding the structure or purpose of the organization, or that those that do arise can be resolved efficiently on the basis of a common set of values without disabling its decision-making mechanism. This will allow NATO to continue as the primary promoter of transformation and as the major body for standardisation among its members.

If the current NATO crisis management operations and those likely to begin in the near future are accomplished successfully without the long-term embroilment of combat troops in areas of conflict, the organization would increase substantially in global significance and its image in the eyes of ordinary citizens would improve greatly.

A less favourable scenario

If NATO operations were to prove unsuccessful and differences of opinion were to break out among its members, the functional capacity and general significance of the alliance would suffer. Similarly, it is possible that the diversity existing among its members could lead to a division into those capable of action and those requiring support and thus arouse further criticism on the grounds of the uneven distribution of costs. This could further strengthen doubts regarding the rationality of the political, economic and military commitments demanded by NATO and undermine the coherence on which its collective defence is based.

The global balance of power could turn against NATO on account of a decline in the popularity of western values and the western way of life. Especially, a global increase in the political and military influence of China and Russia could make it more difficult for the alliance to strengthen its role and activities.

Implications for Finland

Finland will be accepted as a member of NATO some time after 2010, mainly as a consequence of the "softer" and more acceptable image of the organization brought about by the development of civilian crisis management capabilities and components and the success of its operations. The common image of war in the minds of the Finns will approach the view held in the western world, with its emphasis on new threats and crisis management tasks. This will in turn weaken the traditional support among the people for the national defence and detract from the popularity of national conscript service. On the other hand, NATO membership will open up possibilities for influencing the United States and taking part in operative planning under the Fifth Article concerning important areas to Finland

Finland will fit in with the profile of the "transatlantic" states of Europe in the same way as the other Nordic Countries and will play a loyal part in developing NATO's joint capabilities within the limitations of its resources. This membership process would be essentially retarded if developments were to follow the less favourable scenario described above.

Neither the transformation of NATO's military capability (in the more favourable scenario) nor a decline in its effectiveness (in the less favourable scenario) would provide reliable guarantee of allied support for Finland in the event of external pressure or a military crisis situation. The resources available to it, both collective and those possessed by nations, would not be adequate to ensure Finland's security in a military sense. It will thus be necessary under all the envisaged alternative scenarios for Finland to continue to take main responsibility to be prepared to defend its own sovereignty.

The general situation

The European Union can be expected to forfeit its dominant position on the international scene to rising actors such as China, Japan and Korea, but in spite of this the member states will preserve their exceptionally high economic potential and personal standard of living relative to the rest of the world. Only the United States and Japan will remain ahead of them in this respect. China will catch up with the European Union on a number of scores, but only as far as the most affluent sector of its population is concerned.

Led by the most advanced of its member countries, the EU will be acting in close cooperation with the other major concentration of power in the west, the United States, principally motivated by the new competitive situation brought about by rapid economic growth in the Asian countries, in the face of which the main western powers will need each other more than ever in order to survive.⁹¹ Another reason for this close relationship will be the increased economic and military strength of Russia, necessitating closer western collaboration in response.

The European Union will have improved its military and civilian crisis management capabilities significantly by 2030, along with other functions to be developed within a European security and defence policy framework that involve extensive cooperation in security matters. Efforts will be made at considerable expense to update the fields of particular emphasis selected in the early 2000s, namely operational command capabilities, intelligence and surveillance capabilities and strategic air- and sealift capabilities.

With the United States retaining its interest in Europe, NATO will continue as the continent's only organization for collective defence and demanding military crisis management operations, but this powerful NATO role will inevitably restrict the EU's aspirations to develop into an entity capable of independent action in the military sphere, and to a lesser extent in that of civilian crisis management. The

91 The forging of this relationship effectively began in 2003 with the recognition that, in spite of warnings from the European members of NATO, the war in Iraq had reached an impasse. In terms of US internal politics, the reason for the closer relations will lie in the period of Democrat government beginning in 2008, as this party has traditionally been closer to the European world-view than have the Republicans. The failure in Iraq will be seen to have left a powerful imprint on the country's collective memory (cf. Vietnam).

EU will not attempt to evolve into a military alliance, because this would weaken the US commitment to Europe and thus threaten to undermine the unique role of NATO there.

The average investments of each EU member state in military security, measured in terms of the defence budget as a proportion of GDP, will not decline any further over the period considered here, above all on account of the appearance of broad-based threats to security, especially in the form of terrorists armed with weapons of mass destruction, although another reason will be the need in many countries to equip military forces to deal with natural disasters and accidents of human making. There will also be more conventional reasons, of course, including the continued need for crisis management operations in Africa, the Middle East and Central Asia, and certain aspects connected with maintaining the related capabilities, most notably the continued rise in the technical complexity and expense of military equipment and the changeover to more comprehensively professional armed forces. It can therefore be predicted that the EU countries will continue to devote just under 2% of GDP to defence expenditure.

Great Britain and France will retain their superior intervention capacity relative to other countries, and the large armed forces of Germany and Turkey will be successfully shaped into troops capable of undertaking major operations. Certain EU countries will continue to devote most of their defence budget to the elimination of traditional threats such as the repelling of regional offensives. This will apply most of all to Turkey, Greece and Poland.

Short-term, temporary tensions in transatlantic relations can be regarded as inevitable during this period, if only because the protagonists will previously have had somewhat divergent interests, and the experiences of the war in Iraq will have exacerbated this situation. However, the western nations will attempt to find a new consensus with respect to the starting points, aims and forms of collaboration in security matters, both with the US and Canada and between the European allies, and this will also extend in a limited form to the US allies in the Pacific.

In the light of the above it cannot be assumed that a bipolar system will emerge during the period in question under which the EU takes responsibility for security in its region and NATO under US leadership will concentrate on global assignments. The US will wish to continue to have its say in European security questions, and the EU will wish to extend its influence beyond its own area. It can scarcely be imagined that all the EU countries will be NATO members by 2030, so that although competition between the two security organizations will abate somewhat in certain areas, the overlapping of roles and tasks will not be eliminated entirely.

European expansion and the general goal of closer integration

The EU will expand. Macedonia, Albania and Croatia can be expected to join at the latest along with Turkey in 2025, by which time Turkey will have a population of 90 million people and will become the largest EU member state. Serbia, Montenegro, Bosnia-Herzegovina and Kosovo, which will have broken away from Serbia by that time, may have just acquired membership by 2030. Switzerland and Iceland will have continued to remain outside the EU of their own accord, but Norway may have joined by this time. GDP per capita will decrease in the EU as a result of this expansion and the internal flows of development aid will be redirected from the old member states to the new ones. One serious question that will arise by this time is that of the natural limits of EU expansion, and the latest point of controversy in 2030 will be a membership application from the Ukraine.

One major problem for the European Union during this period will be that of finding the correct balance between expansion and deeper internal integration, a problem that will be compounded further by the alienation from the EU and questioning of its legitimacy to be found in many of its member states. The once rejected constitutional agreement will never come into force in that form but will be replaced by a more modest document some time after 2010, and integration will slow down relative to the progress made in the 1990s and 2000s as its continuation would call for structures that no one is prepared to countenance any longer. Thus the division of member states on the grounds of foreign policy or social system will persist, causing fragmentation of EU policy on such matters as relations with the United States and Russia.

In order to maintain its emphasis on transnational development, the EU will be obliged to avoid setting its sights too low in such matters, but it will nevertheless be forced to admit that setting them too high will lead to dissension. The principle of unanimity will be retained with regard to the most important decisions in the fields of foreign, security and defence policy, as the heterogeneity of its members will not allow any alternative, although this will mean that internal differences of opinion will gain a great deal of prominence in such matters, perhaps to the extent of preventing any action at all. The most significant improvement in decision-making will take place in the case of individual development programmes and operations, but it will be impossible to transform the EU into a universally reliable global actor.

Economic development

Although European integration will stimulate economic growth by opening up free markets, promoting mobility and harmonizing legislation, the states of the national economies and their economic cycles will vary greatly, creating policy problems for the European Central Bank.

The economic opportunities facing the EU area during the period up to 2030 form a somewhat conflicting picture. On the one hand there are a set of basic factors pointing towards dynamic development and a European competitive potential, while on the other hand there are factors that are liable to suppress economic development in Europe, especially by comparison with the opportunities likely to prevail in North America and in the highly heterogeneous region of the Far East. The favourable factors will probably be the following:

- the high growth potential of the economies of the new member states in Eastern Europe, brought about by their low initial level of economic activity and constant positive structural change;
- the high level of consumption in the traditional western economies of the EU, together with their high level of technological expertise and skills in developing industrial applications of the resulting technology. In many respects, such as wireless telecommunications, the exploitation of information technology and numerous basic industries, the EU will continue to possess peak world potential;
- the significant expansion in markets brought about by the new members and their neighbours (creating a free trade zone that will include Russia and Belarus), areas which will typically possess the same kinds of consumption habits and market philosophy as the old EU countries.

The following factors may be regarded as liable to restrict economic growth:

- the rigid economic structures of the traditional western EU countries, e.g. with respect to the mobility of labour and the exceptional persistence of legislation regulating employment;
- the unfavourable demographic trend in the EU (apart from Turkey) relative to the USA and the Far East, which will increase the proportion of elderly persons outside the labour force to an extent that will detract from economic growth. This will also be reflected in a pronounced slowing down in the rate of population growth towards the end of the period concerned here, to the point of stagnation in places (again with the exception of Turkey), a feature that will not be seen in the USA or the Far East. The demographic trend in Russia, however, will be a negative one over this same period.

All in all, it can be assumed that the EU will preserve its industrial and technological competitiveness over this period but will achieve poorer economic growth on average than in North America or Asia. It can be estimated that affluence, measured as the level of disposable incomes in real terms, will increase by at least 50% in the EU by 2030, in spite of the fact that the global economy will suffer from disturbing

factors for a time in the 2010s (among other things on account of the poor debt-equity ratio in the United States) and will experience difficulties from the 2020s due to the effects of climate change.

One salient characteristic of the EU economic environment in this period will be the region's increased dependence on imported energy supplies, which will render it more vulnerable to crises. About two-thirds of the region's energy needs are likely to be met by imports towards the end of the period. Similarly the EU's dependence on energy supplies from Russia will increase as far as natural gas is concerned but decrease in the case of oil.

The interactive globalization of the international economy is likely to continue during the period in question, under the influence of the principles of free trade, the opening up of economies, the free international movement of capital, accompanied by increases in the amounts of capital transferred, and the enhanced harmonization of the legal principles and norms that regulate commerce. Economic globalization will also imply an enhanced role for the organizations responsible for promoting and regulating trade, most notably the OECD, WTO and the World Bank. The economic situation will also be backed up by globalization in the form of an expansion and acceleration of information flows, including international norms (such as humanitarian norms and pressures for democracy) and in the form of greater human mobility. The EU will be instrumental in promoting these developments both in Europe and through more extensive international interaction.

Aims and trends in civilian and military crisis management

The EU's common foreign, security and defence policy will continue to be based on intergovernmental consultations and the consensus principle, and the original stipulation that the focus should be on areas outside the member states and exclusively on non-defensive crisis management operations will remain in force. The development of a crisis management capability will advance slowly, but the shortfalls pointed out in the early 2000s will mostly be successfully rectified. The EU countries will gradually acquire more effective tools and systems for preventing, limiting and controlling crises and ones that are better suited to the crises of the period, and certain features previously associated mainly with military crisis management, such as planning and command capabilities and rapid deployment, will extend to civilian instruments as well.⁹²

The global demand for crisis management will increase along with the incidence of conflicts and crises, and new sources of conflict will emerge. The need will also grow as a consequence of the dissemination of pictures and descriptions of the

92 On the defects, see Flournoy, Michele & Smith, Julianne: *European Defense Integration*, CSIS 2005. Advances are particularly to be expected in the rapid deployment of troops and systems and in their general deployability.

world's crisis areas by the media, which will strengthen the western countries' moral compunction to assist. At the same time the development of crisis management capabilities by the EU countries and demands that the resources invested in these will increase the pressures to undertake such operations.

Particularly good progress will be made in the field of EU civilian crisis management, where an exceptionally wide range of equipment will become available and modes of operation will become diversified. The majority of the EU countries will be prepared to undertake civilian crisis management operations, having adapted their national security organizations to correspond better to the demands of a broader range of threats, and some countries may be spending a considerable proportion of their overseas development budget on programmes that fall into the civilian crisis management sector. Similarly some may adjust the complement of their armed forces so as to be able to support the national security authorities in the event of a disaster or accident and assist in civilian crisis management programmes abroad.

A qualified capability for joint military action with NATO will be developed. Both organizations will have learned by 2030 to "borrow" capacity from each other as a matter of routine as required by particular operations, and any conflicts of interest felt by countries that have the necessary capabilities and troops are likely to be attenuated to a considerable extent by the demands of general cost-effectiveness and the overwhelming need to direct national resources towards maintaining social and health services.

As far as the defence industry is concerned, European integration is likely to mean a more intensified "buy European" policy and a search for synergy and efficiency advantages within the industry. The United States will nevertheless retain its leading position in this field.

General trends and principal uncertainty factors

The EU will not be able to achieve a true common foreign and security policy within this time, on account of certain contradictions in policy. Great Britain and numerous other member states will continue to pursue a more transatlantic line than France and Belgium, for instance, while the growth in the number of members and the attention paid to public opinion will increase heterogeneity in political matters. This is just part of a broader prediction that EU integration will proceed more in a confederative than a federal direction, even though the EU Parliament is likely to strengthen its position, majority decisions will almost certainly become the norm and it is possible that the EU may gain the right to levy direct taxes.

The continued powerful position of NATO will essentially prevent the EU from developing into a true military alliance, but at the same time a European security identity is bound to gain strength, which will create certain transatlantic tensions. The EU will continue to stress the resolution of crises by political and diplomatic

means or through UN-controlled operations, whereas the United States will more readily fall back on military force. NATO and a commonly perceived threat will not suffice to keep the relationship going in the same way as they once did.

The EU will strengthen its international role on a broad front in the course of this period, by economic and political means and through its crisis management activities. This will be particularly true where the resolution of crises in the Middle East and Africa is concerned. It will also expand its role in aspects of the international political environment that call for the concluding of agreements and the formation of institutions, e.g. the removal of barriers to trade, development aid, environmental protection and the exploitation of globalization. The challenges in this field are likely to increase in the course of time, especially where climate change and the problems of underdevelopment are concerned. Similarly, EU co-operation in police and security matters is likely to gain in importance through the struggle against international terrorism. The weight carried by the EU in world affairs will naturally increase with the number of member states.

It is also the case that the strengthening of the EU's identity and authority will provide a new channel by which the power of the nation-states can be expected to decline: disintegration of the state under the influence of the EU umbrella organization. This would enable a country such as Scotland to achieve a fairly far-reaching degree of autonomy if only foreign and security policy remained the prerogative of London – and that only under conditions dictated by the EU.

One feature that will place natural bounds on the development of the EU, however, is the heterogeneity of its membership. It is quite possible that expectations regarding integration may no longer be very high during this period, as the scars inflicted on the EU common foreign and security policy by the war in Iraq, together with suspicions surrounding EU expansion, take their toll. Similarly, public opinion regarding EU membership in the new applicant countries may be dimmed somewhat by the protracted lengths of time required to achieve membership, perhaps to the point of undermining the whole effort. The EU may well have to consider seriously whether some relaxation of its ambitious initial goals would be appropriate in order to ensure stable progress.

A more favourable scenario

A more favourable trend would involve a reduction in transatlantic tensions through the adoption by the United States of a foreign policy that attach more importance to relations with its allies, particularly in the light of experiences in Iraq and Afghanistan and the weakening of its former position of power in the world. More emphasis in the NATO role will be placed on demanding military crisis management situations and collective defence against major external threats, while improvements in EU crisis management resources could lead to closer relations

with NATO and better cooperation than was predicted above. The EU's common foreign and security policy is likely to emerge all the more strongly with a decline in transatlantic tensions.

In these circumstances the alienation and legitimacy problems experienced in the member countries with respect to the EU and the fears attached to EU expansion would begin to abate and it would probably be possible to revise the agreement on the nature and functioning of the union in a manner that would lead to closer integration and raise its activities to a new level. Integration would be further promoted and the identity of the EU strengthened by the granting of direct taxation rights, although the tax would be very small and would be incorporated into VAT. It should also be possible to achieve internal reforms that would reduce the structural rigidity built into the economy, and to introduce democracy and constitutional government into the new member states to a greater extent than it would be justified to expect at the present time. It is also conceivable that the euro could replace the dollar as the principal reserve currency in the global economy.

A more favourable scenario would also be one in which the EU was to appreciate the dangers of expanding too rapidly and would refrain from accepting Turkey as a member within this period, preferring to construct a tailor-made adaptation programme for that country. A further desirable feature would be for the EU to prove capable of developing its relations with the Islamic governments of the Middle East to a greater extent than predicted above.

A less favourable scenario

Under such a scenario the desire of the United States to commit itself to Europe would continue to decline, leading to a crisis within NATO, and perhaps even threatening its whole existence. Similarly, no strong transatlantic model for crisis management would emerge as predicted, but instead the US would concentrate on developing its national resources in this field. At the same time the work of remedying the defects in the EU crisis management capability would meet with serious setbacks in the form of an unwillingness to take responsibility for the financial expenditure involved. Thus the reactions to particular crises would tend to set out from a national standpoint or to involve only limited detachments of national armed forces while others remained on the sidelines. It would nevertheless be possible to defend the position of civilian crisis management, partly by diverting funds intended for overseas development assistance for this purpose. At the same time, however, new crises would break out in the Middle East and South-East Asia, further emphasizing the impotence of the EU and worsening the refugee problem.

Differences of opinion between the EU member states would be accentuated most in matters of foreign and security policy, while the economic discrepancies between them would create more difficulties for the European Central Bank and

the euro currency zone than originally predicted. Similarly international economic problems would lead to a major crisis. Under the combined influence of these factors the EU would fall into a protracted economic recession, exacerbated by its political inability to bring about the necessary structural reforms in many of its crucial member states.

It is conceivable that the new member countries might display a poorer ability to adapt to the common procedural rules that had been predicted, in spite of having made plausible efforts during the membership negotiations to give the impression of respecting these rules. This would necessitate the construction of a system of sanctions within the EU for failure to adapt, the most severe step of all being expulsion from the union, although this would require practically unanimous condemnation by all the other members.

The current trend in climate change could worsen more rapidly than predicted, creating major problems for Central and Southern Europe.

Relations with Russia could deteriorate, constituting an external security problem for the eastern members of the EU. This could well coincide with Russia pursuing authoritarian policies, leading to a situation of fundamental internal instability.

Implications for Finland

Under the most probable scenario for the period in question, membership of the EU will prove in the long run to be a positive thing for Finland. The economy will fare slightly better than the average for the Western European EU countries, and this will earn Finland a certain amount of respect within the union. On the political level, the development of a crisis management capability and other European security and defence policy integration pressures arising from the common foreign and security policy will have led Finland to apply for NATO membership some time after 2010, which will bring about an improvement in the country's transatlantic relations and a shift towards a constructive, generally Atlantic-oriented policy on the lines of the other Nordic NATO members. As a consequence, Nordic cooperation in the field of the common foreign and security policy, and especially the European security and defence policy, is likely to improve substantially and will probably lead to a division of labour between the countries and the assignment of special responsibilities in areas such as surveillance, command and intelligence and the developing of air and maritime forces. Problems related to the internal legitimacy of the EU and to identity in the face of integration are not likely to be accentuated in the case of Finland relative to the situation in other member countries.

In the more favourable scenario NATO membership would provide Finland with still better conditions for building up transatlantic relations and making an active contribution to the EU. Any reduction in alienation from the EU is likely to be felt to a greater than average extent in Finland, because the union's popularity has

been lower here than in most countries. Above all, peaceful development within the international environment is likely to improve the popularity of the EU and create a quite new identity for it. This would weaken feelings of national identity, which would detract from the popular support for national conscript service and national defence.

A less favourable course of events than predicted above might entail Finland remaining outside NATO on account of an internal crisis within the alliance, or else joining NATO but suffering thereafter from greater than average tensions, e.g. on account of feelings of disappointment experienced by the general public. The defects in crisis management will not be felt so seriously in Finland as in the member countries in Central and Southern Europe, because the flashpoints in the Balkans and the Middle East are so much further away from Finland and refugee pressures are likely to be much less than for the EU area on average. Even in this scenario Russian policy is unlikely to involve any direct use of military force to support the country's political aims, nor is the basic trend for a dispelling of military threats likely to be reversed. In the course of time, however, this situation may lead to a shift in budgetary emphasis away from the development of the armed forces for the purposes of national defence.

Any decline in relations between the EU and Russia will automatically affect our national security, the feeling of security amongst the people and the nation's foreign trade more than it would in the EU member states on average, and should events take a turn in that direction public opinion will inevitably lay more stress on the national defence and NATO membership.

The UN and the Governance of Global Security

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The United Nations occupies a privileged position among the international organizations, as its membership covers for practical purposes all the countries in the world, its competence is in principle universal and multisectoral and its level of legitimacy relatively high. Security in both the narrow sense of the term (the use of armed force) and in the broad sense (human security) is part of its mandate as far as both norms and practices are concerned. The United Nations is a vast system that comprises the main bodies, subsidiary organs and programmes, as well as specialized agencies and related organizations. Although it will continue to be a significant actor on the world stage in the future, it also has its own limitations. In particular, the influential multilateral governance of the global economy (the Bretton Woods organizations and the WTO) lie to a great extent beyond the scope of the UN.

UN activities over the next quarter of a century will carry features of both continuity and change. Continuity is, of course, characteristic of major, well-established, formal institutions such as the UN, but even so it would seem natural to expect changes, as the organization is due to have at least three different secretaries-general during this period, and if we cast our eyes back into history for the same length of time we find two major crises and two recovery periods. The probable direction of development will nevertheless be one of steady, gradual change.

Global governance⁹³ and the UN

As globalization advances, the transnational sector of non-government actors is likely to grow in power and the system of global governance will come to consist of actors of increasingly many types operating at many levels. And as globalization will bring with it a new multipolar power structure in international affairs, progressively more difficult global problems and a heightened susceptibility to conflict, this will be a real testing time for the operational capabilities and legitimacy of traditional international organizations such as the UN.

93 The main characteristics of global governance are goal-orientation, non-hierarchical organization and the coexistence of governmental and non-governmental actors; see James N. Rosenau, "Governance, Order, and Change in World Politics" in James N. Rosenau & Ernst-Otto Czempiel, eds., *Governance without Government: Order and Change in World Politics*, Cambridge University Press, Cambridge, 1992, pp. 4-5.

There will also be an increasing number of overlapping systems of governance functioning alongside the UN and competing with it, including (a) non-state systems of coordination (companies and associations), (b) regional organizations and cooperation forums (e.g. the African Union), which are based on regional or cultural proximity and sometimes on the need to resist some forms of external dominance, (c) loose networks and coalitions of public and private organizations devoted to particular causes, e.g. the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, and (d) the system of governance headed by the United States of America, with its accent on that country's national sovereignty, a selective, instrumental multilateralism, the adoption of unilateral measures, the creation of loose networks and the development of bilateral relations.

The relative role of the UN system is likely to diminish. The above-mentioned parallel systems of governance⁹⁴ will be regarded as more efficient and more flexible, and it will be easier for powerful actors to exercise control over them. On the other hand, criticism will also be levelled at the parallel systems, because their level of legitimacy, the broadness of their scope and the sustainability of the results they achieve will usually be limited. In addition, the US-centered system of governance will make its power structure visible and thereby give rise to opposition. Meanwhile the virtues of the UN will be seen to lie in its relatively high level of legitimacy and its striving towards systematic, lasting results. It will also prove capable of adapting to changes in global governance to some extent and will not only be involved in networks but will also be instrumental in creating them. This will help to arrest the decline in the position of the UN.

The major western financial contributors to the UN, with the US in the forefront, will call for reforms to improve the administrative and decision-making efficiency of the organization, and the progress made in this direction will increase support for it in the United States. As the developing countries will view these reforms as shifting power to the secretariat and the main financial contributors, and away from the majority of member states and the General Assembly, they will be suspicious of the reforms, which will consequently advance more slowly than preferred by the west.

The pressures for change in global governance will be directed at both its forms and its content and will be reflected in the status of the UN and in its agenda. The role of regional cooperation will be strengthened, and the emerging powers will build up collaborative organizations and forums of their own on the regional level as well. The "global south" coalition formed by the developing countries together with China will remain active⁹⁵, as these countries will be united above all by the norms of sovereignty and non-interference in internal affairs. This will mean that

94 "Parallel systems of governance" may be taken here and below to refer to types (a), (c) and (d) in the above classification.

95 This G-77 group had 132 members in January 2007.

the western “liberal agenda” that has been dominant since the end of the Cold War, with its accent on democracy, human rights, good governance and environmental protection, will be questioned and its role substantially weakened.⁹⁶ Humanitarian interventions will become more difficult to carry out, and objections will arise to the policy of making development aid, other forms of financing and access to markets conditional on the implementation of human rights. The global south will oppose any increase in UN capabilities and competence if this is seen as likely to increase the possibility of interventions in these countries’ internal affairs. However, they will accept interventions in the case of breaches of human rights if these breaches are serious, systematic ones, if pressure is exerted on countries belonging to their group and if they are given concessions in the UN decisions. Reform of the composition of the UN Security Council will remain on the agenda, as the trend towards a multipolar international power structure will emphasize how unrepresentative the Council’s group of permanent members is.

Significant armed conflicts and threats

The resources and political support enjoyed by the UN will be insufficient for missions that involve an intensive armed conflict and the large-scale deployment of military forces. The groundwork for such interventions will be done by the major powers, but they will not be handed over to be conducted in the name of the UN or under its command, nor will the UN accept them. The grounds for intervention may be terrorism, the threat of a spread of weapons of mass destruction, a serious energy crisis or an act of genocide.

The Security Council will usually be ready to authorize operations mounted on a “coalition of the willing” principle in advance and sometimes also to endorse them in retrospect. A UN-led operation may be considered once hostilities have died down, and the UN will usually take part in the post-conflict stabilization and peace-building. Considerable value will be attached to an authorization from the Security Council,⁹⁷ but if the United States is strongly committed to an intervention, a lack of endorsement will not prevent it. The wars in Iraq and Afghanistan will continue for a number of years, and experiences gained from these will not encourage the United States to indulge in similar interventions for some time. Likewise, the doubts expressed regarding these interventions and the setbacks suffered in the course of them will reduce support for them in the UN. This will mean, of course, that it will be more difficult than ever for the Security Council to reach agreement on the

96 Oliver Jütersonke & Rolf Stephan Schwarz, “Freedom from Fear, not Freedom from Violent Death, Critical Reflections on the Human Security Report 2005”, *Die Friedens-Warte*, Band 81, Heft 2, 2006, p. 36.

97 David M. Malone, *The International Struggle over Iraq, Politics in the Security Council 1980–2005*, Oxford University Press, Oxford, 2006, pp. 103, 157, 174, 195, 199, 276.

authorization of interventions led by the USA or any of the western powers, and failure to obtain authorization for an operation or sidestepping it will most likely have the effect of reducing the size of the coalition supporting it and weakening members' commitment and contributions to it, especially if serious setbacks are encountered.

The UN will continue to have the instruments for fulfilling its "responsibility to protect" to prevent genocide or other large-scale breaches of human rights, but one essential for success will be adequate political support. Some UN members will probably doubt the wisdom of such responsibility, because they will suspect the western powers of using it as a means of exerting pressure on weaker governments.⁹⁸

The cognitive and social foundations of terrorism will prove to be relatively resilient, and thus repeated terrorist attacks are likely to ensue.⁹⁹ The 14th comprehensive, omnibus UN convention against terrorism will take a long time to draft on account of protracted differences of opinion over the definition of terrorism. The Security Council will also take on the role of constructing binding norms, because it is capable of doing so relatively quickly, but this role will arouse controversy. Its active attitude in this issue-area will be derived above all from the common interests of its permanent members. In addition, the UN will assist member countries in developing their anti-terrorist capabilities and will approve sanctions against terrorists, but it will not become a major coordinator in these matters.

The future of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) is uncertain. Furthermore, the threat of the spread of weapons of mass destruction, and particularly the danger of their falling into the hands of terrorists, will be one of the major matters of concern. The Security Council may tighten the obligations of member states to prevent their spread, employ persuasion, act in collaboration with negotiation groups set up by the major powers and to approve sanctions. Its permanent members' interests will in principle be convergent, being largely supportive of the nuclear ban. However, the developing countries among the UN members will demand that the nuclear powers should also honour their commitment to move towards nuclear disarmament. Efforts will be made by the IAEA to strengthen its powers and capacity to carry out verification inspections and guarantee the availability of nuclear fuels in order to limit the enrichment of uranium. Part of the work of stemming the spread of nuclear materials will be carried out by export control regimes external to the UN, e.g. the Nuclear Suppliers' Group (NSG) and the Proliferation Security Initiative (PSI). The confidence gap between the western nuclear powers and the developing countries suggests

98 See Gareth Evans, "The International Responsibility to Protect: The Tasks Ahead", the International Crisis Group, http://www.crisisgroup.org/home/index.cfm?id_4801&1=1,4.5.2007.

99 Human Security Report 2005, War and Peace in the 21st Century, Human Security Centre, University of British Columbia, Oxford University Press, New York & Oxford, 2005, pp. 42-44, 46.

that no results can be expected from the UN arms control and disarmament negotiations for years, apart perhaps from the fissile material cut-off treaty (FMCT). No new nuclear powers are likely to emerge during the period in question other than Iran, but the potential for the spread of nuclear technology will increase as nuclear energy gains in popularity. In particular, those states that feel that their security is threatened could develop an advanced capacity for starting the production nuclear weapons.

Civil wars and wars between small states

The trend will be for a slight increase in civil wars and armed conflicts between relatively small states,¹⁰⁰ as instability and conflicts will inevitably arise out of widening inequality, shifts in the power structure and the worsening of global problems.

These minor wars taking place in the developing countries, mainly in Africa, will come to form the principal focus of UN peacekeeping operations. The UN will not in general be willing to intervene in armed conflicts when heavy fighting is still going on, and prefers as a prerequisite a cease-fire or peace agreement to be in place. However, the UN frequently has to set up peacekeeping operations in highly demanding circumstances in which the distinction between an armed conflict and peace-time conditions is rendered indeterminate. The mandate for such operations does in the last resort permit the use of force in order to protect civilians and the security of the operation and the UN activities, as the adversary is frequently a loosely organized, autonomous band of warriors capable of resorting to brutal violence directed to a great extent at the civilian population.¹⁰¹ The operations of the future will also be demanding as the troops will be entrusted with a vast range of tasks, from the maintenance of physical security to the establishment of human rights, the arranging of public communications and the promotion of law and order. Given the demanding nature of both the operating environment and the mandate, there is a conceivable danger of operations failing to meet their objectives.

The legitimacy of UN peacekeeping operations will remain high and there will be a relatively great demand for them, so that the most serious danger before long will be overloading of the UN's and its member states' capacities.¹⁰² The proportion of all peacekeeping operations carried out by the UN is in any case likely to decline somewhat in the future as the role of regional organizations is broadened in this

100 Human Security Report, pp. 9-10; Lotta Mayer, "Weniger Kriege? Zweifel am Optimismus des Human Security Report", *Die Friedens-Warte*, and 81, Heft 2, 2006, pp. 49, 50, 51, 55.

101 Monika Heupel, "Friedenskonsolidierung der Vereinten Nationen, Herausforderungen auf Grund der "neuen" Kriege," *Sicherheit und Frieden*, 1, 2006, pp. 3-4.

102 The previous peak in the deployment of UN peacekeeping forces, 75,000 in 1994, was exceeded towards the end of 2006.

direction. The political decision-makers in Africa in particular are apt to give priority to organizations from their own continent in matters of peacekeeping, and this will make it essential to develop cooperation and a division of labour between the UN, the African Union and the other relevant regional organizations of Africa. On the other hand, the capacity of the African countries to manage such operations will remain deficient for some time to come. Moreover, it often seems that the solidarity that exists between the African states is apt to fetter them to the point of inaction when there is a threat to or a breach of peace. Cooperation in peacekeeping activities elsewhere in the "global south" is likely to remain fairly limited for some time, but will increase gradually.

The UN Security Council will relatively often resort to sanctions in order to bring to heel those who infringe the norms, but these measures alone cannot be expected to be sufficiently effective. Also, as economic sanctions tend to entail high human costs, UN sanctions will in general be selective and specific, e.g. restrictions on finance, travel and communications directed at a certain state, group or an organization and those responsible for its decisions. The United States in particular will regularly adopt unilateral sanctions – either alongside UN sanctions or instead of them.

The UN Secretary-General and his special representatives – sometimes with the support of a selected group of states, e.g. the "Friends of the Secretary-General", will take part in mediation in the case of a fairly large proportion of the conflicts that break out. The success of their effort will depend very much on their skills and long-term determination, the existence of strong political support in the UN and the achievement of close coordination between all the intermediaries involved in the mediation, as there will often be several of them even for a single conflict. It will in any case be difficult to achieve results when the conflicts are highly intensive or institutionalized.¹⁰³ The prevention of conflicts will remain on the UN agenda, and this organization will continue to have the capacity to issue early warnings and prevent a lapse back into an armed conflict, the escalation of violence and a humanitarian catastrophe. The institutionalisation of a broad-based, more demanding mechanisms for preventing conflicts could be hampered by developing countries' fears of infringement of their own sovereignty.¹⁰⁴

103 Manuel Fröhlich, Maria Bütof & Jan Lemanski, "Mapping UN Presence, A Follow-up to the Human Security Report", *Die Friedens-Warte*, Band 81, Heft 2, 2006, pp. 20-22.

104 The prevention of conflicts was removed from the mandate of the UN Peacebuilding Commission in response to demands from the developing countries, see Adekeye Adebajo, "Chronicle of a Death Foretold: The Rise and Fall of UN Reform", in Adekeye Adebajo and Helen Scanlon, eds., *A Dialogue of the Deaf, Essays on Africa and the United Nations*, Fanele, Sunnyside, Auckland Park, 2006, p. 29.

Global problems and their management

Global problems and threats may be regarded as including serious environmental problems, shortages of food, energy and water, migrations of population, global epidemics, crime, poverty, inequality within and between states and major disasters. In practice these are frequently linked together, so that poverty and epidemics go hand in hand, for instance. Global problems and their detrimental effects will probably increase in incidence during the period concerned here, which will fuel a greater demand for global governance. Improvements in the passage of information will also bring global problems to people's attention rapidly and give them greater visibility than heretofore.¹⁰⁵

The great prominence given to such problems and their definition as threats to peace and security will serve to raise their priority and increase the financial resources made available for their management. The international prominence that they gain will nevertheless usually be restricted in both geographical extent and time, and thus their management will tend to become selective and narrow in scope and their order of importance may be altered.¹⁰⁶

The UN system with its specialized organizations and bodies will remain an important part of the management of global problems, participating in networks arranged by both public and private-sector actors and also forming such networks itself, but it will not be the only actor, nor indeed the main one in many instances. Similarly the commitment of member states to UN governance, to implement its decisions and policies and to financing its activities will improve only selectively and in an uneven manner. Especially the emerging economic powers will continue to be willing to compromise on their own interests for the sake of the long-term common good only to a limited extent.

The UN system will succeed very well in defining threats and problems,¹⁰⁷ distributing information about them and in this way influencing the international community's agenda, exercising its "framing" and "alarm" powers, and it will also be able to use its "convening power", e.g. for arranging conferences to decide on common programmes of action in the face of global problems. Likewise the respect for peacebuilding, which has risen particularly as a consequence of the wars in Iraq and Afghanistan, will remain high for some years and extensive use will be made of the UN's experience in this sector. Developing and expanding the work of the new UN Peacebuilding Commission will take some time, however. Problems

105 Rosemary Foot, "Human Rights in Conflict", *Survival*, Vol. 48, No. 3, 2006, p. 113; David Alexander, "Globalization of Disaster: Trends, Problems and Dilemmas", *Journal of International Affairs*, Vol. 59, No. 2, 2006, p. 3.

106 Alexander, "Globalization of Disaster", p. 1.

107 Employing and disseminating expressive persuasive concepts such as responsibility to protect, sustainable development and millennium development goals (MDGs); see Evans, "The International Responsibility to Protect".

will arise on account of the breadth of the peacebuilding agenda and the need to secure the coherence of the pertinent activities. The worsening of global problems will increase the demand for UN humanitarian aid. The programmes of the organization for promoting liberal values will meet with resistance. Similarly, its criminal courts of justice will prove somewhat controversial.

The governance systems lying outside the UN will prove to be flexible and able to mobilize resources and achieve specific goals, but the other side of the coin will be their lack of broad-based legitimacy, coverage and sustainability, and the criticism levelled at them on these grounds will increase the value attached to such qualities and thereby the justification of the corresponding UN organizations. All in all, the supply of international governance for managing global problems will not be adequate for the task, the structure of this management will remain fragmented and only loosely coordinated and the fragmentation will probably increase. This in turn will mean that the overall results will be limited.

The UN as a political forum

The UN in itself will be an arena for international conflicts, a place where countries can acquire support and legitimacy for their own national interests, values and actions and attempt to deprive their adversaries of such legitimacy and support. In other words, it will be a political forum. The members will try to avoid high levels of costs and serious commitments unless their own vital interests are at stake. Observation of the accepted norms and intervention in the affairs of individual members will be selective matters, although partial respect will be shown for the institutional norms and rules, because these can provide justifications and support for one's own aspirations. The main dimensions of the global conflicts prevailing at any given time will be revealed in member states' behaviour in joint decision-making situations and when voting on controversial issues.

One major, fairly permanent dimension of conflict will be the division of the UN into two camps: "the West against the rest". The two poles on this dimension will be the United States on the one hand and the opponents of the existing international order - mostly Arab and Asian countries such as Iran, Syria and Sudan together with Russia - and also the emerging powers, China and India, on the other. The EU will belong to the western camp but will distance itself somewhat from the United States, while Africa will take up a position close to the anti-western coalition and the Latin American countries slightly to the west of Africa. The anti-western coalition will coalesce inter alia in the G-77+ group consisting of the developing countries and China. The key questions defining this division will be attitudes towards US dominance, political liberalism and the importance of develop-

ment issues.¹⁰⁸ The United States will wish above all to promote human rights and UN administrative reform, while the G-77+ group will mostly emphasize development issues, preservation of the role of the UN General Assembly and the norms governing sovereignty and non-interference in member states' internal affairs. The western countries will be accused of trying to dominate the UN and its majority. The isolation of the United States¹⁰⁹ may diminish somewhat in the next decade, but the stabilization or even increase in the numbers of autocratic or semi-democratic regimes may serve to restrain this trend. Some of the member states will take to exercising an active, "soft", political form of balancing through forming political coalitions within the UN to limit the power of the United States.¹¹⁰

The membership will not become entirely polarized, however.¹¹¹ The permanent members of the Security Council will deem it rational, in order to take full advantage of their privileged status and retain their influence, to avoid the use of the veto as far as possible,¹¹² and this will mean that the Security Council can be relatively active in taking decisions even though the atmosphere in the UN in general may be somewhat strained. Because the level of interdependence remains high, the new centres of power will not wish to defy the hegemony of the United States unless their own vital interests are threatened, and so they will often be prepared to make partial concessions if faced with specific or reasonable demands. Thus the rising powers will become socialized to the norms and practices of the international community to some extent and will become "responsible" members of it, e.g. as providers of development aid and peacekeeping forces. The members of the UN will all have certain interests in common, regardless of which coalition they belong to, e.g. combating infectious diseases and terrorism. Furthermore, the united front of the developing countries is likely to disintegrate in individual instances and in cases of bilateral relations on account of conflicting interests. There are many developing countries, for instance, that will wish to receive western aid or will continue to be dependent on it. Above all, the EU will be an important and fairly influential bridge-builder within the United Nations.

108 Erik Voeten, "Clashes in the Assembly", *International Organization*, Vol. 54, No. 2, 2000, pp. 203-212; "Voting Practices in the United Nations", State Department, <http://www.state.gov/p/io/conrpt/vtgprac/>, 29.4.2007.

109 The coincidence of opinion between the United States and the other members of the UN diminished fairly steadily over the period 1995-2006; see "Voting Practices in the United Nations", and Erik Voeten, *Resisting the Lonely Superpower: Responses of States in the United Nations to U.S. Dominance*, *The Journal of Politics*, Vol. 66, No. 3, August 2004, pp. 729-754.

110 Christopher Layne, "The Unipolar Illusion Revisited", *International Security*, Vol. 31, No. 2, 2006, p. 3.

111 Two-thirds of all General Assembly resolutions are approved by a consensus or without a vote; see "Voting Practices in the United Nations."

112 The number of vetoes recorded has been very small since 2000; see Edward C. Luck, *UN Security Council, Practice and Promise*, Routledge, London & New York, 2006, p. 8.

A more favourable scenario

A more favourable course of development would be grounded in a constant deepening of the mutual dependence between nations and agreements on further trade liberalization between the west and the developing countries. Progress would be made in the successful management of many major global problems, partly as a result of common threats becoming more concrete and visible through the occurrence of large-scale disasters.¹¹³ Armed conflicts would steadily decrease in number, no new possessors of nuclear weapons would emerge and terrorist attacks would become no more than sporadic. The process of democratization would be restarted, and instead of mutually opposed polarized alliances, the world would come to consist of a network of nations engaged in an intersecting pattern of collaborative relations.

The limits of unilateral action and the value of legitimacy would be understood more clearly, and this would lead to a new respect for multilateralism. An enhanced recognition of the problems of fragmented global governance would have the effect of increasing the legitimacy of the UN, and the emerging powers would be increasingly accepting responsibilities in the UN and other governance systems. A new consensus would arise about the UN, enabling its activities to be rendered far more efficient and allowing more extensive subcontracting. This would also mean that the “market power” of the UN would increase somewhat, and its duties would be steered towards the construction and promotion of norms as well as expert and coordinator roles. The UN would be more extensively networked with other governance systems and would frequently be able to provide an infrastructure for such networks.

The expansion of the Security Council to 24–26 members will be carried through with the support of more than two-thirds of the UN members, and although one or two existing permanent Security Council members may oppose it, they will ratify the requisite, agreed upon Charter alterations in the end. The present permanent members will retain their status and the regional basis for choosing non-permanent members will not be altered. The permanence of seats will be increased by agreeing on either certain new permanent members or on a system allowing for the re-election of some non-permanent members. The number of non-permanent members that do not qualify for re-election will also be increased. The “soft” ingredients in this reform package will be a provision for a review of the system after a given period of time and certain improvements in working procedures, including greater transparency and some restrictions on the use of the veto.

113 These could include an accident at a nuclear power station, a large terrorist attack, a major environmental disaster or an extensive pandemic, for instance; see Alexander, “Globalization of Disaster”, pp. 10, 16.

A less favourable scenario

A less favourable trend could result from the mutually reinforcing effects of a number of trends. Global problems could become more difficult than expected: there could be a number of serious environmental disasters, for instance, or efforts to expand global free trade could be thwarted and the global trade regime become fragmented. The problems caused by globalization could give rise to wide-spread dissatisfaction, resulting in a wave of protectionism, and the world could suffer a succession of economic crises. It is also possible that no progress might be made towards democratization, and that the number of authoritarian or semi-authoritarian regimes might increase. Efforts to end the wars in Iraq and Afghanistan may fail and the world may slip towards escalating violence and disintegration. New nuclear powers may emerge, and the conflict between the United States and those challenging its hegemony could escalate into a political and military confrontation.

These negative developments will not unite the UN members but rather sow the seeds of division among them and detract substantially from the prospects of cooperation. The UN will suffer a number of setbacks and crises, as a result of which it could become occasionally paralysed or sidelined, leading to a general lack of trust among its members. Similarly, the Security Council could be rendered impotent if one or two of its permanent members were to be involved in a conflict with the major western powers and were to become the target of sanctions adopted by the powers. If UN peacekeeping were to expand to keep pace with the increasing demand, this could lead to badly organized operations that failed, thus causing a substantial reduction in such activities. Repeated failures to achieve greater efficiency of the UN and refusals by the Security Council to authorize US military interventions could lead the United States to suspend financial contributions to the UN or withdraw from its activities totally or in part, and the same could be true of the states setting out to challenge the west if strong pressure were to be exerted on them in the UN. This would mean that the UN could suffer the same fate as the League of Nations in its time. It is likely that the United States will set up a rival organization, a "Concert of Democracies", perhaps even to replace the UN. The aim would be to make the Concert stronger and more exclusive than the UN and enable it to authorize the use of military force by a qualified majority in order to implement the "responsibility to protect" or in the event of threat to or breach of peace.¹¹⁴ Such a "Concert of Democracies" could well result in further polarization of the community of nations.

114 Forging a World of Liberty under Law, U.S. National Security in the 21st Century, Final Paper of the Princeton Project on National Security, G. John Ikenberry and Anne-Marie Slaughter, Co-Directors, September 27, 2006, The Princeton Project Papers, published by the Woodrow Wilson School of Public and International Affairs, Princeton University, pp. 7, 25-26, 61.

Implications for Finland

In view of the main directions of development in the global system, Finland will be obliged to pay more attention to this level in its foreign and security policy. The global level will be seen to affect Finland both directly and, more especially, via the EU, the UN and other international organizations and collaborative systems. The changes in the structure of global governance will increase its exclusivity and complexity and detract from its transparency, whereupon Finland's opportunities for participating in it and influencing it will diminish.

Finland's principal policy channel with respect to the UN will be the EU, and Finland will attempt to ensure that the coordination of policies that has usually proved successful in the UN is intensified still further. When the EU can act in a concerted manner, it can exercise a great deal of influence in the UN, as it can muster a great deal of support for its positions and proposals. The EU will be needed to build up broad consensus in the uncertain and unstable conditions that lie ahead. Finland's "soft power" - the general acceptability and credibility of its aims - will be increased by concrete inputs in the form of significant participation in UN peace-keeping operations, particularly in Africa, relatively large or increasing contributions to the financing of UN programmes, the election of Finns to UN posts and other displays of initiative within the organization. More political weight could be given to Finland in the UN if its level of development aid were to be raised to 0.7% of GNI (gross national income). It is the level of its activity in the UN that will be decisive in determining whether Finland will be elected to membership of the Security Council when its turn comes around in the 2012 election.

One major task for Finland and the EU will be to strengthen the legitimacy of the multilateral international order in and through the UN. A common will and the means of pursuing it must be found for promoting human rights, evening out differences in levels of development without endangering the environment and protecting human communities from violence. Finland and the EU will maintain pressure for reforms within the UN, because they perceive a need for such reforms and because these reforms will support the organization's legitimacy. Finland will almost certainly oppose the creation of any competing worldwide organization alongside the UN, especially if this organization were to require far-reaching commitments to the use of military force. If, on the other hand, there are no demands for such a commitment, if there is a justifiable need for such an organization and if the other EU countries and a large number of developing countries join it, then Finland will presumably do the same.

From Vancouver to Vladivostok

The Organization for Security and Cooperation in Europe (OSCE) is geographically the most extensive regional security organization in the world, with 56 participant countries in Europe, Central Asia and North America, so that it encompasses a considerable part of the Northern Hemisphere. It nevertheless differs from most other security organizations in terms of both its point of departure and the principles on which it operates. It has defined its main modes of operation as being early warning, conflict prevention, crisis management and post-conflict rehabilitation, and has taken upon itself the role of attempting to be the first international actor to be called on in these capacities. In view of this diversity of modes of operation, it can be said to have adopted a comprehensive outlook on security, attempting to prevent crises from occurring, to calm them down once they have broken out and to resolve them, employing different approaches and instruments at each stage. This broad range of methods and approaches may be regarded as being one of the organization's major strengths.

In practice, however, the OSCE's opportunities for taking action are limited to the initial and final stages in a crisis, as even since the end of the Cold War it has not had any real chances to engage in the kind of military crisis management that other organizations have been able to take on. The main reason for this lies in the starting point for its activities, the principle that all the participant countries are of equal status within it and that decisions are taken on a consensus basis. This severely limits its ability to take decisions and put them into action in situations over which the participant countries are not unanimous.

Changes in the concepts of security and their effects on the OSCE

The main forces shaping the international conditions under which the OSCE is operating in 2030 will be environmental deterioration, the universal process of globalization, deviating trends in the vulnerability of the international system to conflicts in different parts of the world and more regionally the occurrence of periodic tensions between Russia and the western participant states. All these global or

regional circumstances can be expected to affect the situation in which the OSCE is operating and its possibilities for action.

Global climate change and the general deterioration in the living environment will lead increasingly often to conflicts over environmental matters and natural resources and to mass movements of population away from the places where they have traditionally lived.¹¹⁵ One direct consequence of climate change will almost certainly be increasing drought problems in Central Asia and Southern Europe.

At the same time international security problems would seem to be becoming more complex within the area covered by the OSCE as well. The stable, affluent western participant countries can be expected to devote their attention to environmental questions and “soft” security problems, while the main issues in the east and south are likely to be concern over the arms race, the problems raised by the dissolution of states and in general the more traditional problems that arise between states.¹¹⁶

The way in which the OSCE develops will be a consequence of these conflicting pressures. Security as a whole will be viewed in 2030 more distinctly than ever as an indivisible entity, so that it will be more difficult to limit a threat or the means for resolving it to a particular region or to regard it as a conflict that exists purely between certain states. This will pose a challenge for regionally operating security organizations such as the OSCE. The OSCE itself should nevertheless be able to adapt to the changing security policy environment by virtue of its flexible structure, as reflecting in its planning of a set of Confidence and Security-Building Measures (CSBMs) by 2030. This will mean in practice attempts to develop mechanisms for restricting the acquisition of arms by sectors of the population within a state and preventing the escalation of lawlessness in confrontations between population groups.

In addition, on account of the decline in opportunities within its traditional fields the OSCE is already in the process of extending its activities into new areas of “soft security” such as environmental issues, the prevention of crime and human trafficking, and economic questions.

Taken together, these processes of change will mean that the OSCE will by 2030 have directed itself much more distinctly towards internal conflicts within states on the one hand and questions of “soft security” on the other. Similarly, the shift in geographical emphasis towards the east and south will have meant a reduction in activities in the western participant countries.

115 Délégation aux affaires stratégiques (2005). *Perspectives européennes 2030*. This report points to a “strong possibility” of a serious decline in the ecosystem over the next 30 years. http://www.defense.gouv.fr/sites/das/enjeux_defense/etudes_realisees_par_la_das/perspectives_europeennes_2030

116 pp. 6-7. On the differentiation of regional security dynamics, see Gnesotto, Nicole – Grevi, Giovanni (Directors). *The New Global Puzzle: What World for the EU in 2025?* European Union Institute for Security Studies, Paris, 2006, p. 194.

Continuity of traditional security problems

The new threats will not imply the disappearance of traditional security problems from the OSCE agenda, however. Many of the organization's current modes of action, particularly in the field of military cooperation between states, will continue until 2030. Practices related to military transparency can be expected to continue to develop gradually over this period, as all mechanisms that are aimed at reducing mistrust between nations can be seen to be to the advantage of all, provided that there is no substantial increase in the general vulnerability of the international system to conflict situations. The field for such activity may well have broadened somewhat, however, as it is conceivable that CSBMs could be extended beyond the current OSCE area, i.e. attempts may gradually be made through this organization to open up the field of military policy in the present-day partner countries, some of which may have become OSCE participants by 2030, especially those in the Middle East, Central Asia and North Africa, e.g. Afghanistan and Iran.

Yet, the future of the OSCE up to 2030 will depend to a decisive extent on coming developments in Russia and the nature of relations between Russia and the western OSCE countries. If relations can be established on a basic level that is felt to be satisfactory for all those concerned, the OSCE will be able to concentrate fully on renewing its own structures and directing its activities towards new security aspects, but if tension continues to exist with Russia, the OSCE will probably be taken "hostage" by this exacerbated situation and its renewal process and activities in various fields will be slowed down as a consequence.

The latter alternative would seem the more probable. It is highly likely that Russia will not move towards a western-style democracy and that it will seek to maintain control over a sphere of influence comprising the majority of the CIS countries for at least the coming 25 years. This will mean that it will be prompt to react to any activities of international organizations in the region, which will give rise to tensions between Russia and OSCE from time to time. In situations of political tension it is quite possible that the emphasis laid by the OSCE on the themes of human rights and democracy may be interpreted as attempts to extend western influence in the CIS. It is thus probable that Russia will work for an OSCE that is content to concentrate exclusively on traditional security issues.

The foundation of OSCE activities up to 2030 will nevertheless continue to lie in the promotion of democracy and constitutional government, and military cooperation will be part of that development. The organization will concentrate more on new aspects of security, however, aspects such as the prevention of crime and environmental problems – clearly defined, practical issues on which the participant countries will probably be able to reach a consensus on the OSCE's role. Attempts to introduce an element of emphasis on minorities, political freedom and human rights into the OSCE goals are likely to meet with opposition from Russia in particular, which will render the organization's work more difficult. These differences

of opinion will not lead to the dissolution of the OSCE, however, nor to the resignation of Russia from it, nor indeed any other significant reduction in its membership base. Similarly, in spite of its ability to slow down the work of the OSCE in promoting democratic values and constitutional government, Russia will not be in a position to prevent it from working towards these goals.

The status of the OSCE in 2030

The existence of the OSCE as an institution will in all probability not be threatened in any way in the period up to 2030, as its salient features, in particular its comprehensive membership base and undeniable, albeit limited utility as a multinational discussion and negotiation forum for a heterogeneous group of participant countries, will ensure its continuity for the next 20 years at least. Similarly, it is unlikely to be superseded in this capacity by any other global or regional security organizations.

The OSCE has demonstrated in the course of its history that, partly by virtue of its light, flexible structure, it is able to adapt to changes in its operating environment, and this adaptability is likely to prove apposite in the period up to 2030, when various new modes of action are likely to play a more important part in its overall profile. This process will also be accompanied by a moderate adjustment of its organization, including an increase in the powers of its secretary-general, which will allow its activities to be planned more efficiently on a long-term basis.¹¹⁷

In spite of this continuity, no appreciable increase in the significance of the OSCE is to be envisaged in the foreseeable future. Although its membership base is likely to remain at least as comprehensive as at present, the heterogeneity of its membership in combination with the consensus principle governing its decisions will severely restrict any substantial growth in its efficiency or influence. In other words, the OSCE will prove incapable structurally of rising to any more influential a position as a European security organization than that which it occupies at present.

The principal future challenges facing the OSCE will in the first place lie in establishing its role and indispensability as a security organization in a region where most of the countries are closely committed to other security organizations as well, secondly in its ability to re-direct its activities towards “soft” and non-national security threats, and thirdly in the question of the attitude of Russia towards OSCE activities, particularly in the CIS region.

The OSCE will continue in the coming decades to serve primarily as an organization that supports other security-promoting activities, complementing the other forms of regional cooperation in security matters on the strength of its compre-

117 Common Purpose: Towards a More Effective OSCE. Final report and Recommendations of the Panel of Eminent Persons on Strengthening the Effectiveness of the OSCE. 27 June, 2005, pp. 20, 22-23 http://www.osce.org/documents/cio/2005/06/15432_en.pdf

hensive membership and the diversity of the instruments at its disposal. The main security issues in the region are likely to continue to be resolved through the actions of the most powerful countries in the region and those of their allies that are most closely integrated into the OSCE, but in spite of this “significance gap” the powerful institutional continuity that is typical of so many international organizations and which is largely independent of changes in external conditions will prove to be endemic to the OSCE as well.

A more favourable scenario

The status of the OSCE as presented above is the most probable scenario for 2030, in a view governed by the notion of the continued existence of the OSCE under conditions of gradual adaptation and pressure to acquire greater significance for itself in a context in which relations between the major powers in the region are strained at times and in which the security field is largely dominated by other organizations.

More favourable developments than these would be represented by a situation in which the OSCE had strengthened its position considerably, implying greater efficiency on the part of its various organs and possibly an expansion in its scope. One essential for this to come about would be a permanent improvement in relations between Russia and the western participant countries, although restricted in the sense that neither the European Union nor NATO had expanded to cover the whole geographical area of the OSCE, thereby replacing it entirely. In practice such a situation could mean the OSCE emerging as a genuinely effective organization over the whole field of crisis management, including military crisis management. Under a more favourable scenario the OSCE would indeed be likely to be acknowledged by all its participating countries as an international actor of wider acceptability than either NATO or the European Union. This could enable it to take a leading role in the reconstruction work in Afghanistan, for instance. The most desirable situation of all from the OSCE point of view, of course, would be a substantial resolving of international tensions but not to the point of political integration or the merging of states in the region.

A less favourable scenario

A less favourable scenario, and a far more probable one, would entail the actual dissolution and collapse of the OSCE as an institution on account of worsening disagreements between Russia and the western participant countries, allowing the former CIS countries to resign from it as well. Under such circumstances the organization would probably continue for some time in a reduced form in the region covered by the western participants, or at least within Europe, the former Yugosla-

via and possibly Central Asia. An alternative would be for it to disappear as a consequence of the EU, NATO or some other security organization that incorporated both Russia and the western participant countries expanding to encompass the present-day OSCE region, so that its current tasks would revert to that organization or to others.

Implications for Finland

The vitality and functionality of organizations such as the OSCE is a matter of some importance for Finland, as it is for other small countries, especially since their scope for action would appear to be closely linked to the success of relations involving nearby countries. It should be noted that the various paths of development in the OSCE would be reflected in Finland to a great extent through the European Union, as a functional OSCE would be a useful forum for assisting the EU in managing its relations with outside countries. If the OSCE were to collapse on account of international tensions this would detract from the EU's scope for action in matters of security policy, and correspondingly, if it were to be discontinued because of the expansion of other organizations, this would strengthen Finland's security if she were a party to these arrangements.

The most probable OSCE scenario would imply as far as Finland is concerned an increase in the demand for means of coping with new security threats and in general a greater need on the part of the OSCE for wide-ranging security know-how, even though the dominant trait might very well be a high level of participation in its activities relative to the country's size and resources. A more favourable trend would undoubtedly mean for Finland increased and more diversified participation within the OSCE framework, possibly at the expense of activity channelled via the EU, while a less favourable trend would be connected with a general deterioration in security in adjacent areas, in which case the resources that would otherwise have been devoted to OSCE activities would presumably have to be expended on the maintenance of national security or on the activities of other security organizations that were deemed more effective.

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