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Introduction

The Global Trends project encompasses wide-ranging research and engagement across a variety of regions and topics. These multiple inputs are designed to serve as building blocks, helping us to generate larger insights for assessing strategic risks and opportunities for the world over the next 20 years. This annex includes two important foundational elements to the Global Trends report:

- The first section, “The Next Five Years,” represents a systematic overview of trends across each region of the world, focusing on the first-order effects of the changes we see underway over a five-year time horizon.
- The second section, “Key Global Trends,” explores these first-order effects over a 20-year time horizon organized around issues—such as demographics, economics, governance and security—rather than by geographic region.



THE NEXT FIVE YEARS BY REGION

The Next Five Years by Region

Continued instability and significant political, economic, social, and environmental adjustments will mark the next five years worldwide. Although important differences will distinguish the world's regions, all will experience urbanization; migration; and stresses related to environmental, ecological, technological, and climate changes. Many societies will not succeed completely in efforts to lock in the development achievements of the past two decades—especially for the new members of their middle classes—highlighting governance shortfalls for rich and poor countries alike. Advanced information technology will amplify differences over inequality, globalization, politics, and corruption, while perceived humiliation and injustice will spur protests and violent mobilization. Structural shifts in the world's economies—from technology and finance that create wealth without creating jobs to growing debt that burdens future growth—will fuel these changes. Discontent will drive many societies to populist, nativist, or nationalist leaders; others may soberly reevaluate what citizens owe one another when facing unsustainable costs. Fragmentation of regions and states is possible—even likely—if multiple centers of geopolitical power emerge.

- **Economic stress.** The most significant global economic uncertainty of the next five years will be China's growth: how successfully Beijing maintains economic growth and foreign investment, and how effectively—even whether—it manages an overdue transition from an export- and investment-driven economy to one based on consumer-led growth. China's economy expanded from 2 percent of global GDP in 1995 to 14 percent in 2015, and it has been the greatest source of global growth for several years; a sharp economic deceleration in China would undermine growth elsewhere and slow worldwide progress on poverty reduction. During such a slump, many governments would face increasing public pressure for reforms that promote employment and inclusive growth, changes that might threaten their control and ability to provide benefits to political supporters.
- **Political stress.** Few governments are poised to make such political and economic reforms, and many states simply lack the capacity to address the challenges they face. In the Middle East and North Africa, such shortcomings will combine with societal and geopolitical forces to produce—or prolong—turmoil and violence. In the developed West, public disillusion will find expression in populist or reformist voices that seek to address wealth and power imbalances. In East and South Asia and Latin America, dissatisfaction with corruption, crime, and environmental, health, and urban stresses will continue to stoke activism and demands for government response.
- **Societal stress.** Societal confrontation and polarization—often rooted in religion, traditional culture, or opposition to homogenizing globalization—will become more prominent in a world of ever-improving communications. The new technologies are also likely to continue fueling political polarization and increasing the influence of extreme or fringe groups by improving their presence and reach. Militant extremist and terrorist groups will continue to have a transnational presence, still fragmented but sharing ideas and resources with organizations in Africa, the Arab world, and South and Southeast Asia. The spread of existing or emergent infectious diseases will remain a risk for all nations and regions, but particularly for governments that lack the capacity to prepare for such a crisis.

- **Geopolitical stress.** Major-power competition and the risk of conflict will intensify in the next five years, reflecting a fraying of the current international system and the ambitions of China and Russia for greater status and influence. States and nonstate actors alike will wield new and nontraditional forms of power, such as cyber capability and social networks, to shape outcomes and create disruption. The emergence of multiple, rival power centers is possible in the next five years if regional aggression and flouting of international norms go unchecked.
- **Environmental stress.** Scientists report that 2016 was the hottest year recorded since the instrumental record began in 1880, and 16 of the 17 hottest years have occurred since 2000. Although predicting temperature trends over short intervals is difficult because of internal climate variability, the baseline global temperature clearly will be higher over the next five years. This warming has implications for storms and rainfall, melting ice, rising sea level, and the general conditions under which people live. The impact of the change will be especially acute for the substantial share of the world population concentrated in climate-vulnerable areas, such as coastal cities and urban centers with strained water resources.



EAST AND SOUTHEAST ASIA

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East and Southeast Asia

East and Southeast Asia—the world’s most ethno-culturally diverse region and the most likely to grow in economic importance—will remain center stage for both economic cooperation and geopolitical competition in the near future. For China, many factors are increasing political uncertainty: a slowing economy; Beijing’s attempt to advance its primacy in Asia; a shrinking labor force as a result of population aging; and President Xi’s concentration of power. This uncertainty casts a shadow over the peace and prosperity of the region, since China is deeply integrated into the global economy and anchors the region economically but also selectively embraces and seeks to shape international norms and rules to advance its interests. China’s assertions of sovereignty on issues such as the South China Sea are provoking reactions among its neighbors and stirring nationalist sentiment at home that could reduce Beijing’s room for maneuver. The interplay between security competition, regime stability, and economic cooperation will color most regional interactions, with middle powers and smaller states alike seeking assurances against Chinese assertiveness that will not sacrifice economic opportunities with China; the risk of a less-robust Chinese economy is a further complication. The actions of the United States and Japan vis-à-vis China, as well as those of emerging powers like India and Indonesia, will also shape the assessment of risks and opportunities by countries in the region.

- The region’s many longstanding **territorial and maritime disputes** are unlikely to be resolved in the next five years and will instead keep tension simmering, prompt requests for US assistance, and complicate the maturation of regional institutions and coping mechanisms, such as the Association of Southeast Asian Nations (ASEAN). A further escalation of tension around any of Asia’s fault lines probably would undermine economic confidence, slowing investment and regional economic cooperation
- Beijing may judge that **China** has a closing “window of strategic opportunity” to secure greater influence in the region before stronger pushback against its rise develops as a result of increased US strategic attention to the region, the evolution of Japan’s defense policy, Taiwan’s new leadership and growing sense of a separate identity, North Korea’s nuclear program, and China’s own mounting economic challenges. Foreign views of China probably will vary with Beijing’s readiness to abide by widely accepted international rules.
- Increasingly self-reliant **Japan** will take on more international engagement—potentially increasing its involvement in regional and global security affairs and becoming a stronger partner of the United States—initially by building on its robust economic relations, especially in Southeast Asia. The growing uncertainty in East Asia—driven primarily by China’s growing power and assertiveness—is prompting Tokyo to ease postwar constraints on its security policies and build capacity for a policy of collective self-defense.
- **India** is likely to insert itself further into East and Southeast Asian economic and security matters, especially if its relationship with Japan continues to strengthen. China’s ambitions and disregard for India’s interests fuel New Delhi’s inclination—along with Japan and the United States—to balance and hedge. Although rising Western concern about free trade is limiting the options, a Trans-Pacific Partnership (TPP)-like agreement that included India could turn India into an economic wildcard, potentially deepening its economic integration with the United States and other major Pacific economies, helping to propel domestic economic reform and growth, and bolstering India’s ability to take a more assertive regional economic role.

- **Indonesia** has the world's largest Muslim population and some of the world's greatest biodiversity, and it could take on a global role by anchoring Islam's response to the influence of globalized terrorist networks or by leading stewardship of the world's remaining primary forests, even as it continues to grapple with the challenge of effectively governing a far-flung archipelago. Burning in Indonesian forests contributes to global carbon emissions as well as air pollution and rising death rates from bronchial disease across Southeast Asia. In **Malaysia**, shifts in racial and religious policies in the democratic, majority Malay Muslim country could have implications for the region's democratization and social stability trends and could help boost global counter-radicalization efforts. Malaysia and Indonesia, like other Muslim states, face the influence of increasingly intolerant Salafist Islam on traditional Sufi Islamic practices, fueling tension in their multiethnic and multireligious societies. **Thailand** and the **Philippines** are struggling with governance issues resulting in emerging preferences for strongman rule.
- Major **economic shifts, demographic changes, and urban stresses**—driven by ongoing migration to cities—are likely to become more significant in Asian countries in the next five years and will demand political responses. Aging populations will add to the demands on Asian healthcare systems to confront chronic diseases, adding to governments' funding needs. Economic inequality could boost public dissatisfaction in China and elsewhere in the region, particularly as firms face greater pressure from low-cost competitors in the region and elsewhere. Beijing will face pressure to meet the aspirations and demands of its growing middle and affluent classes or to manage their disappointment.
- **Climate change**—through severe weather, storm surges, sea level rise, and flooding—disproportionately affects East and Southeast Asian countries, whose populations cluster in coastal zones. Ongoing stress will reduce resilience to even modest weather events. According to Pew polling, publics in China, Malaysia, and the Philippines consider climate change their top existential threat, and publics in Indonesia, Japan, and South Korea include climate change in their top three threats. Fears about water security and food security are also among the region's environmental concerns, with recent drought conditions in Cambodia, Laos, and Thailand, and highlighting these risks. Cooperation on water issues will be crucial in a heavily populated region, with disputes over water flows among Burma, Cambodia, China, and Laos, adding to the list of regional disputes.
- In **public health**, several countries in the region are considered hotspots for the emergence of influenza virus of pandemic potential. The highly pathogenic avian virus H5N1 is endemic in poultry in China, Indonesia, and Vietnam, and has a high mortality rate in humans. The highly pathogenic virus H7N9 is also circulating in Chinese poultry, and an increased number of human cases have been seen since 2013.

Geopolitical Relevance of Region in Next Five Years: Whither China. All countries in the region have much riding on China's economic and political prospects. The next few years will test whether Beijing can continue to raise living standards and expand the number of economic beneficiaries while making structural changes in its economy, shifting it from export-driven to consumer- and service-driven and becoming a more-balanced player in global trade rather than an ever-greater consumer of raw materials. In addition to trade and commercial ties, China now figures strongly in the development plans of countries across the region; most East Asian publics—and many in South Asia, Central Asia, and Europe—look favorably on Chinese investment, providing Beijing a way to boost its foreign influence. However, any shortfall in Beijing's delivery on its promises of economic partnership—as embodied in the

Asian Infrastructure Investment Bank (AIIB) and the One Belt, One Road projects—might sour foreign populations on Chinese engagement and hurt China’s global reputation as well as its efforts to develop its interior and western regions as new export markets.

Beijing’s greatest political test lies in whether it can satisfy an ever-more-empowered and engaged public, which expects accountable government, social mobility, and continued growth, without risking social instability or Chinese Communist Party (CCP) control. Beijing’s recent increased use of surveillance and other advanced communications technologies and its ongoing human rights crackdown reflect a doubling down on social control and a continued rejection of pluralism and of any political alternatives to the CCP.

- **Religious and ethnic tension** will also test Beijing’s ability to accommodate and tolerate what it historically has viewed as a threat to its authority. China’s already substantial Muslim and Christian populations are projected to grow further in the next two decades. The government closely monitors and restricts Muslim affairs in Xinjiang Province, exacerbating residents’ resentment toward Beijing, and the tens of thousands of Christians who worship in underground “house churches” also face frequent government persecution. Tibet, where population growth is the fastest in China, could be the scene of unrest similar to that of the past.
- **Public health issues** will come to bear during the next few years. China’s rising income levels are shifting living patterns toward Western standards of consumption, leading to higher rates of chronic diseases such as obesity, heart disease, and cancer. With millions more people engaging in unhealthy habits—and the rapid aging of the country’s general population—the anticipated rise of noncommunicable diseases will strain the capacity of China’s national health system, as well as the ability of the government to invest in health infrastructure and train sufficient personnel.
- **Environmental problems** will worsen. In many regions, Beijing faces challenges in providing water of sufficient quantity and quality to its citizens. Degradation of agriculturally significant resources and major industrial contamination have worsened air quality in many cities; environmental protests have occurred when these conditions have become locally intolerable. Cancer and other environmentally-induced illnesses are severe enough in some regions that no advanced methods are necessary to diagnose the situation.

These tests will occur in a period of slowing economic growth, structural transformation of the Chinese economy, and bills from debt-fueled building at home and abroad since the 2008-09 global financial crisis. At the same time, the Chinese leadership is increasingly centralizing power and prosecuting an anticorruption campaign that—while popular with the public—has alienated a segment of the wealthiest Chinese. This domestic backdrop will help shape whether China’s growing influence in Asia and the world brings renewed vigor and effectiveness to the international system or results in systemic economic shocks and a heightened risk of regional conflict.

- Success in meeting these challenges may have repercussions in **China’s approach to its East Asian neighbors**. A smooth and deft economic transition and a more unified leadership would bolster Beijing’s confidence in its dealings with Japan, the Philippines, and Vietnam. Just as they are likely to defend their territorial sovereignty, foreign corporations, universities, and individuals will complicate China’s adjustment by seeking protection against cyber and intellectual property theft, regulatory harassment, and market manipulation.

- Beijing will also gain **international influence and respect** if its new multilateral investment initiatives succeed in boosting employment and livelihoods at home and abroad. Multilateral investment could also threaten China's influence abroad, however, particularly if coziness with corrupt regimes in Africa gives rise to the kind of popular resentment that the United States has faced in the Middle East.
- Similarly, Beijing could benefit by playing a leadership role in helping the region **manage greenhouse gas emissions and build resilience** to sea level rise, pollution, extreme weather, and biodiversity loss. Environmental issues will remain key quality of life concerns and pathways to civil society activism across the region, opportunities for governments' responsiveness, and innovation.
- As the ethnic Russian population in the Far East plummets and eastern Russian cities stand largely empty, it would be natural for Chinese interest and appetites to turn northward, potentially increasing friction in the area. Large numbers of Chinese have already been filtering into the region on a variety of pretexts, visas, and business interests.
- Whether Beijing wields its ties with Islamabad and Pyongyang more effectively against protracted threats in Afghanistan and North Korea's nuclear program will have a significant impact on peace and stability in South and Northeast Asia.

Other Considerations: Partnership Management. Partnership and alliance management will be the primary East Asian task for the United States, with free trade agreements such as the Trans-Pacific Partnership (TPP) offering the potential to help the region diversify away from overdependence on China. However, many TPP participants—as well as business elites, working publics, and political leaders in some Asian countries—see more opportunity than threat in China and are uncertain about the US approach and commitment to the TPP. China's size, level of development, and particular needs, including resources and high-end capital goods, make it an economic prospect for other countries in the region as a market, investment source, and production location in ways and degrees that the United States cannot necessarily match.

- **US allies** and partners also remain uncertain about the future of the US "rebalance" to the region, given Washington's domestic and other international preoccupations and potential resource constraints.
- In **Northeast Asia**, Beijing, Tokyo, and Seoul will remain economically interdependent, even while they improve their individual security capabilities. They will need to manage security risks resolutely and avoid security-dilemma dynamics and the reciprocal escalation that can occur when defensive measures are interpreted offensively.
- Political posturing and longstanding historical issues are likely to hinder a deepening of **Japan-South Korea** security relations in the next five years despite some progress. South Korean frustration with China's reluctance to rein in North Korea will drive Seoul toward cooperation with Tokyo and Washington, even while Seoul continues to view China as a crucial partner for tourism, trade, and investment. Meanwhile, Japan will continue to pursue active diplomatic and security engagement in the region and beyond. Japan's economy, while stagnating in aggregate terms, remains the third largest in the world, and—despite the declining population—continues to provide material advances for most of its aging population.

In **Southeast Asia**, growing economic interdependence will be the backdrop to great-power rivalry, internal strife, religious radicalization, and domestic political uncertainty, including struggles between democratization and authoritarianism. Some combination of these could threaten the open, stable, and developing regional community with stagnation, authoritarianism, and instability, but such outcomes remain unlikely. Nationalism will remain a powerful force but is unlikely to disrupt the region's growing economic integration by itself.

- **India, Indonesia, and Vietnam** will become far more prominent players in Asia than in the past several decades, in part due to their own development achievements, rapidly growing trade relationships, and favorable demographic profiles relative to many of their competitors. The blueprint for economic integration in the region will be the ASEAN economic community and its goals of trade liberalization, harmonization, and improved customs procedures; trade in services; investment and capital market liberalization; and infrastructure connectivity.
- **Security challenges** will motivate continued buildup and potential use of military instruments in the region. With economic growth at or near current levels, countries around the region will boost military spending, partly for domestic reasons and partly to hedge against China and uncertainties about US attention to the region. The maritime disputes in the East and South China Seas will continue, and ASEAN countries will spend greater resources cracking down on Islamic radicalism.
- **Governance deficiencies** affect authoritarian as well as democratic regimes in the region, and both will continue to find it a struggle to implement policies, address corruption, and manage often problematic relationships between national-level policymakers and local officials in charge of executing policy. How well governments provide public goods and meet rising demand for better standards of living will strongly influence levels of stability in the region.

Thinking About a Rebalanced China

“Rebalancing” China from an investment-driven and export-led economy to one that relies more on domestic consumers will require years of adjustment, with far-reaching consequences for day-to-day life in China as well as for its economic partners around the world. Beijing has long stimulated growth with unusually high investment in infrastructure and equipment—much of which has been underutilized or ineffective—as part of a now-unsustainable model that nevertheless will be hard to replace soon with consumption-led growth.

- In 2015, China’s investment amounted to more than 40 percent of its GDP, well beyond the 30-percent average among other developing Asian economies and little changed from recent peaks. Such high investment spending is otherwise unprecedented among major economies during peacetime.
- Even with real investment growth at only 1 percent per year—something that last happened in 1990, the year after the Tiananmen Square crisis—bringing China’s consumption-investment balance in line with those of its Asian peers would take a full decade of private and government consumption growing at 8 percent yearly .

Even if Beijing succeeds in rebalancing, the change would disrupt longstanding patterns in China’s domestic economy.

- Greater private consumption would expand opportunities for private firms, which are more responsive to consumer demand than state-owned companies, but it would increase pressure on Beijing to make long-avoided improvements in the rule of law and intellectual property rights protections and to develop private consumer finance.
- Equally important, reducing the role of China’s heavy-industry-oriented, state-owned enterprises (SOEs) in the economy would weaken one of the government’s main levers of economic control, something Beijing has shown little willingness to do in recent years.
- Private consumption has lagged in China because of high individual saving rates, which are unlikely to shift unless Beijing strengthens social safety net programs, particularly healthcare and retirement benefits. However, such increases would compete against spending on military modernization and domestic security.

A rebalanced Chinese economy certainly would remain a major player in the world economy and be better positioned for long-term growth, but it would also be a substantially different trade partner, both in the region and in the wider world.

- With less focus on infrastructure and heavy industry, China’s imports could be expected to include fewer capital goods—such as machinery and manufacturing equipment—and a smaller share of raw materials, like iron ore and copper, which are more intensely used in investment goods than in consumption goods. These accounted for nearly \$800 billion, or 47 percent of China’s total imports in 2015, with Germany, Japan, and raw-materials exporters worldwide among the largest suppliers.

Thinking About a Rebalanced China (*continued*)

- A more-developed consumer sector would almost certainly mean greater imports of consumer goods, food, and agricultural products, categories that in 2015 accounted for only about \$90 billion, or less than 6 percent of China's imports. Worldwide, excluding China, the leading exporters of these goods are led by the United States and Germany (for consumer goods) and the United States and the Netherlands (for food and agricultural products); these most-competitive exporters probably would see the greatest gains from strong Chinese demand growth. Even if a more-consumption-directed Chinese economy could meet much of its own needs, demand for such goods would increase worldwide, benefiting producers in China and elsewhere alike.
- Rebalancing's effect on China's imports of intermediate goods—parts used for production and assembly of goods for export or domestic use—is less clear. A substantial share of the consumer goods China now produces would probably appeal to a rapidly growing domestic consumer sector, although the country's low-value-added production would face increasing competition from other countries, including elsewhere in East Asia, as well as South Asia and even Africa.

Beijing has ample resources to help smooth the transition, using government and directed SOE spending to prop up growth while efforts to spur private consumption take hold, and might even be able continue dragging its feet for the full five years. But the transition—and the imbalance that has forced it—will become more costly and disruptive the longer it is put off; the coming years, even with growth already flagging, probably will be Beijing's best window of opportunity.

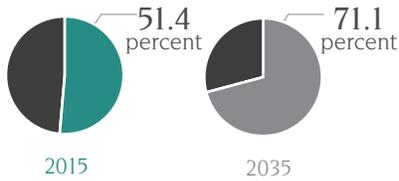
- In the next 20 years, China's median age will increase from 37 to nearly 46 and will continue to rise rapidly thereafter, as its workforce-age population actually declines. China's retirement ages were set in the early 1950s, when life expectancy was very low, and open discussion of changing these arrangements is underway, but rising healthcare costs for the aging population will add an additional burden.

CHINA

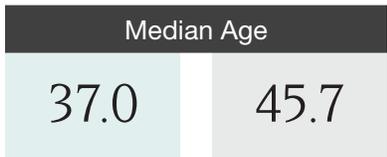
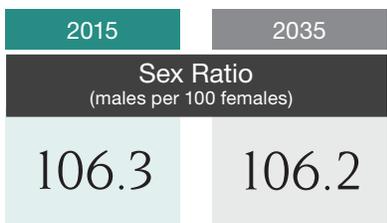
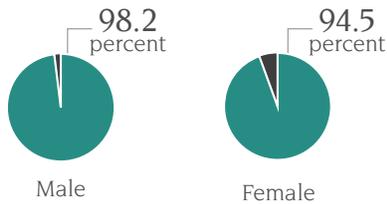
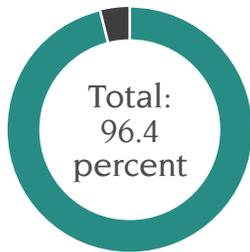
2035 Population Projection:
1,408,316,000



Percent Urban



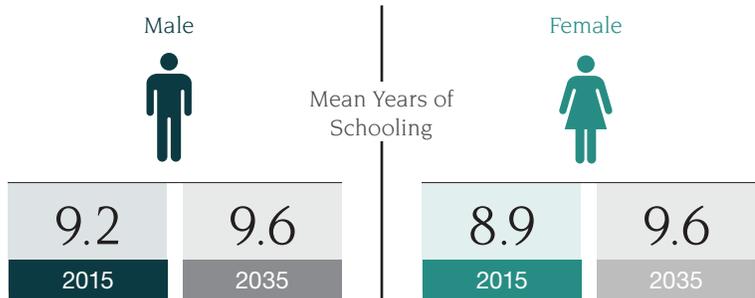
Adult Literacy, 2015



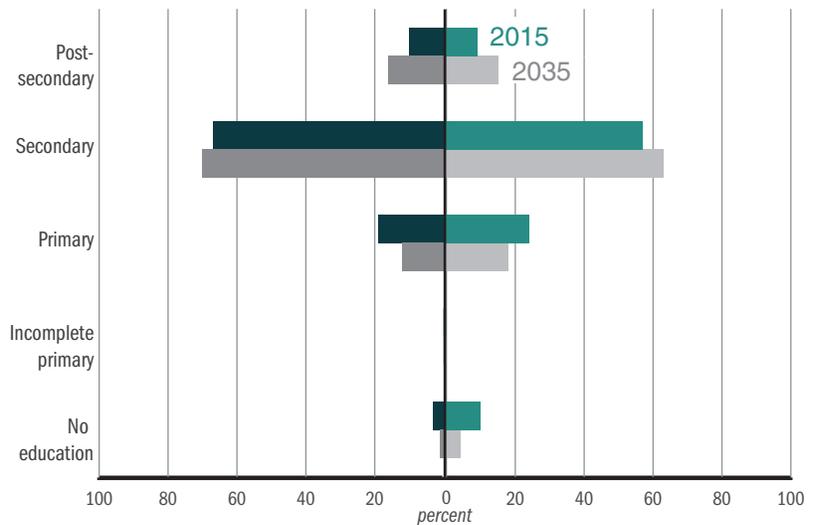
Religion, 2015^a



Education, 2015 and 2035



Highest Educational Attainment



Life Expectancy



^aEstimates for religious affiliation are based on data from the World Religion Database and are rounded to the nearest one-tenth of a percent.

^bTotal Fertility Rate is the projected average number of children born to a woman if she lives to the end of her childbearing years.

Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.

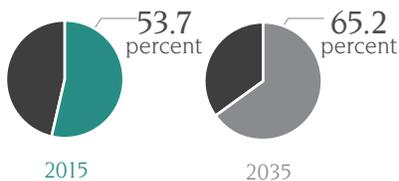
INDONESIA

2035 Population Projection:

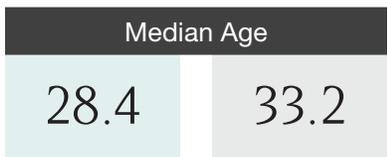
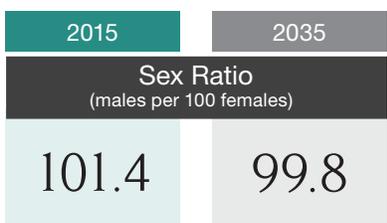
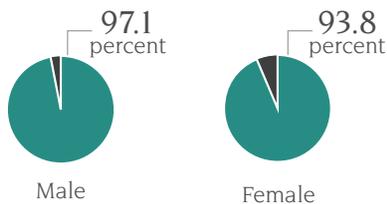
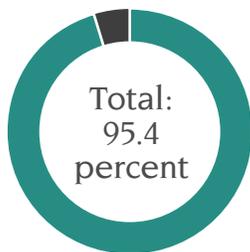
304,847,000



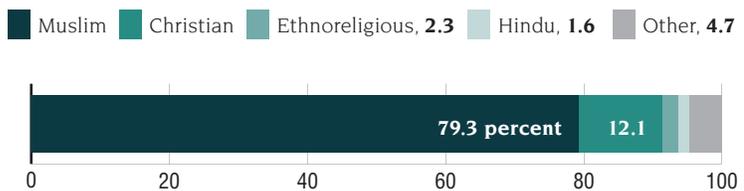
Percent Urban



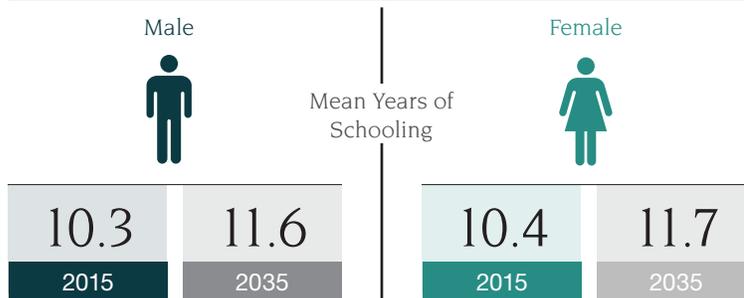
Adult Literacy, 2015



Religion, 2015^a



Education, 2015 and 2035



Highest Educational Attainment



Life Expectancy



^aEstimates for religious affiliation are based on data from the World Religion Database and are rounded to the nearest one-tenth of a percent.

^bTotal Fertility Rate is the projected average number of children born to a woman if she lives to the end of her childbearing years.

Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.



SOUTH ASIA

Melih Cevdet Teksen / Shutterstock.com

South Asia

Tremendous internal and external changes will shape security and political stability in South Asia in the next five years as the planned drawdown of international forces in Afghanistan; the deepening relationship between the United States and India; China's westward-facing development objectives under its One Belt, One Road initiative; and inroads by the Islamic State in Iraq and the Levant (ISIL) and other terrorist groups all have their impact. South Asia also will face continuing challenges from political turmoil—particularly Pakistan's struggle to maintain stability—as well as violent extremism, sectarian divisions, governance shortfalls, terrorism, identity politics, mounting environmental concerns, weak health systems, gender inequality, and demographic pressures.

These factors almost certainly will prolong the delays of economic integration and political reforms that the region needs to capitalize on development gains of the past several decades.

- Governments across the region will find it hard to meet **growing public expectations**, given the urgent environmental and urban stresses already under way. Creating conditions that would help more individual- and community-level initiatives to thrive and address corruption would probably encourage progress.
- Geopolitically, the region's greatest hope is India's ability to use its **economic and human potential** to drive regional trade and development. At the same time, Afghanistan's uncertain prospects, extremism and violence in Pakistan, and the ever-present risk of war between India and Pakistan probably represent the greatest challenge to unlocking the region's potential.

Geopolitical Relevance of Region in Next Five Years: Competition. Despite persistent problems like violent extremism and tension between its two nuclear powers, India and Pakistan, the region's global relevance is changing, as Iran opens up economically after sanctions relief and China turns its focus westward. India is also an increasingly important factor in the region as geopolitical forces begin to reshape its importance to Asia, and the United States and India will grow closer than ever in their history. New Delhi will be a victim of its own success as India's growing prosperity complicates its environmental challenges. For example, providing electricity to 300 million citizens who now lack it will substantially increase India's carbon footprint and boost pollution if done with coal- or gas-fired plants.

New Delhi will reinforce its cooperation in regional trade and infrastructure investment with Bangladesh, Burma, Iran, Nepal, and Sri Lanka. Such cooperation could encourage stability and prosperity across much of the region, particularly if India enlists the support of political parties in the region.

- **Insecurity on the Afghan-Pakistan border**—political turmoil, resilient insurgencies, and poor border security—along with Afghanistan's conflict and the presence of violent extremist groups will be the primary drivers of regional instability. More than 30 violent extremist groups threaten regional stability, and drugs will remain an important revenue source for nonstate actors, including jihadi groups, in Afghanistan. The threat of terrorism from groups such as Lashkar-e-Tayyiba, Tehrik-i-Taliban Pakistan, and al-Qa'ida and its affiliates—as well as ISIL expansion and sympathy for associated ideology—will remain key drivers of insecurity in the region.
- Much of South Asia will see a **massive increase in youth population**, escalating demands for education and employment. According to one estimate, India alone will need to create as many

as 10 million jobs per year in coming decades to accommodate people newly of working age in the labor force. Insufficient opportunity as a result of inadequate resources, coupled with social discrimination, could contribute to the radicalization of a segment of the region's youth. Additionally, widespread prenatal sex selection is helping to make the country's youth cohort disproportionately male, with potential major consequences for social stability, as numerous social scientists emphasize the correlation between prospectless young men and violence.

- Moreover, **Pakistan**, unable to match India's economic prowess, will seek other methods to maintain even a semblance of balance. It will seek to maintain a diverse set of foreign partners, from which it can draw economic and security assistance, and to develop a credible nuclear deterrent by expanding its nuclear arsenal and delivery means, including "battlefield" nuclear weapons and sea-based options. In its efforts to curtail militancy, Islamabad will also face multiple internal security threats, as well as a gradual degradation of equipment used in these operations, declining financial resources, and a debate over changes needed to reduce the space for extremism. While violent extremism is unlikely to present an existential threat to Pakistan during this period, it will have negative implications for regional stability.

Other Considerations: Environment, Health, and Urbanization. South Asia's poorly governed countries are ill prepared for the range of ongoing and near-term challenges that will result from continued urbanization. The region is increasingly urban, with a megacity developing that will stretch from New Delhi to Islamabad with only terrain—and political boundary-imposed breaks. The subcontinent may come to have three of the world's 10 biggest cities and 10 of its top 50. Merely providing services for such burgeoning populations would be a major challenge for any country and may overwhelm resource strapped governments in South Asia, but urban areas of this size also create new social, political, environmental, and health vulnerabilities, for instance creating openings for new political movements and encouraging support for religious organizations as disparate groups come into contact.

- **Pollution** almost inevitably increases with urbanization at South Asia's stage of development, creating atmospheric conditions that damage human health and crops and add to the economic costs of city living. South Asia already has 15 of the world's 25 most polluted cities, and more than 20 cities in India alone have air quality worse than Beijing's. Decisions regarding waste management will also significantly affect the quality of urban life; dense populations living in close proximity with limited services can intensify health challenges and extend the spread of infectious diseases.
- Although megacities often contribute to national economic growth, they also spawn **sharp contrasts between rich and poor** and facilitate the forging of new identities, ideologies, and movements. South Asia's cities are home to the largest slums in the world, and growing awareness of the economic inequality they exemplify could lead to social unrest. As migrants from poorer regions move to areas with more opportunities, competition for education, employment, housing, or resources may stoke existing ethnic hatred, as has been the case in parts of India.
- Newly urbanized populations tend to be **more religious**, as well. In Pakistan and Bangladesh, the pressures of urban life may bolster political Islamic movements: the oldest and most deeply rooted Islamist group in both nations. Jamaat-e Islami, is a largely urban organization. Hindutva, or Hindu nationalism, is likewise a predominantly urban phenomenon in India: the most radical Hindutva political party, Shiv Sena, has governed India's commercial center

Mumbai for much of the past four decades. India is projected to surpass Indonesia as having the world's largest Muslim population in 2050, raising questions about stability in the face of sectarian mistrust. The perceived threat of terrorism and the idea that Hindus are losing their identity in their homeland have contributed to the growing support for Hindutva, sometimes with violent manifestations and terrorism. India's largest political party, the Bharatiya Janata Party, increasingly is leading the government to incorporate Hindutva into policy, sparking increased tension in the current sizable Muslim minority as well as with Muslim-majority Pakistan and Bangladesh.

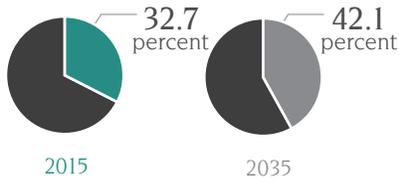
Climate change almost certainly will affect South Asia in the form of higher temperatures that damage human health and food security. Increased greenhouse gas concentrations and localized aerosol pollution both have the capacity to alter patterns of precipitation. Almost half the world's population lives in areas affected by South Asia's monsoons, and even slight deviations from normal in the timing and intensity of monsoons can have major repercussions for regional agriculture. Agricultural production, water availability, and hydroelectric power generation and grid stability would be substantially reduced by delayed monsoon onset. Conversely, increases in precipitation over some areas, including Bangladesh, could exacerbate flooding and have consequences for emigration.

- **Climate change** could lead to a faster-than-expected melting of the glaciers in the Pamir Knot, which feed the northern rivers of Pakistan and India. Tropical storm surges on top of even a modest sea level rise could reduce the already-sparse landmass of Bangladesh, spoiling freshwater resources and pushing people into India and Burma, exacerbating ethnic and regional conflicts.
- India and Pakistan are also vulnerable to a variety of **extreme weather events**. Major examples include massive floods that devastated Pakistan in 2010, unpredictable monsoons that decreased food security, and heatwaves in 2015 that killed over 1,000 in Pakistan and 2,500 in India. A shift in the monsoon patterns that amplified those seen in recent years—when “100 year floods” have been increasingly frequent—could overwhelm Pakistan's dams, already straining to contain floodwaters from deforested mountains and ravines. Meanwhile, public awareness of the long term risks of sea-level rise will grow as the Maldives and other Pacific Islands gradually disappear.
- **Changing precipitation patterns** could alter water ecosystems in ways that foster spikes in dangerous waterborne or water-linked illnesses such as malaria, cholera, and polio. Storm surges and flooding can expose millions to sewage-and otherwise contaminated waters and myriad diseases, making investments in more modern and resilient water systems vital for public health and safety.

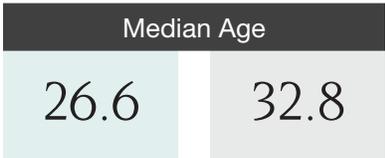
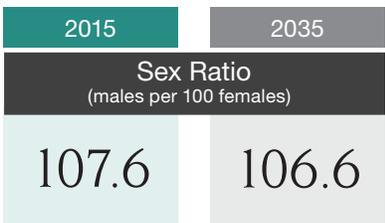
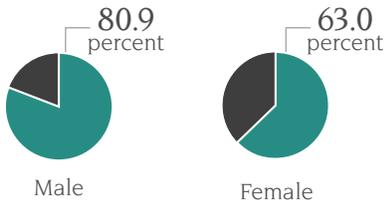
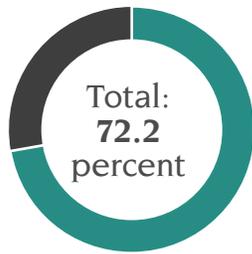
INDIA

2035 Population Projection:
1,585,350,000

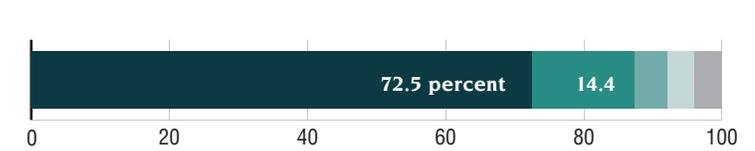
Percent Urban



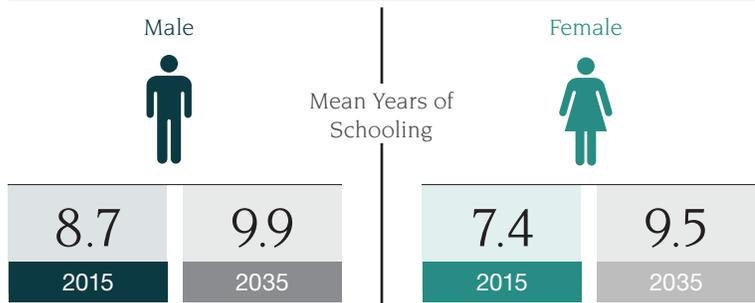
Adult Literacy, 2015



Religion, 2015^a



Education, 2015 and 2035



Highest Educational Attainment



Life Expectancy



^aEstimates for religious affiliation are based on data from the World Religion Database and are rounded to the nearest one-tenth of a percent.

^bTotal Fertility Rate is the projected average number of children born to a woman if she lives to the end of her childbearing years.

Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.



MIDDLE EAST AND NORTH AFRICA

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Middle East and North Africa

Political upheaval will characterize the next five years in the Middle East and North Africa, as populations demand more from entrenched elites and civil and proxy wars are likely to continue in a number of failed states. Contests among religious and political forces are likely as low energy prices weaken institutions. Such contests are likely to include security competition among Iran, Saudi Arabia, Turkey, Israel, and perhaps Egypt, and could involve China, Russia, and the United States. The endemic leadership and elite disconnect from the masses will almost certainly persist for many countries in the region through the period. Socioeconomic and popular challenges will worsen and tension rooted in the region's legacies of authoritarian rule, repression, and dependency could stoke calls by subnational groups, particularly the Kurds, for greater representation.

- The central challenge for the region is to boost growth and create political conditions and economic opportunities to **engage its young working-age residents**. If this is not done in ways that recognize the potential of people and are consistent with traditional beliefs, however, the absence of justice and respect will continue to foster despair and maltreatment of others. In extreme cases, the absence of dignity can contribute to religious radicalization, often in tandem with the rise of secularism, which the Arab world experiences through globalization, Western foreign policies, and social media that conservative religious believers find offensive.

The turmoil of recent years has interrupted what had been a period of significant progress in poverty reduction and individual empowerment. Extreme poverty in the region has declined gradually since 1987, with the greatest progress in Algeria, Jordan, Morocco, and Egypt. The share of the population living below the poverty line in Egypt, for example, declined from 12 percent in 1981 to only 2 percent in 2005, although upheaval undoubtedly has halted—or even reversed—this progress in the most affected countries. Similarly, Iran since 1979 has reduced poverty and expanded its middle class and literacy rates. Absent outside assistance, countries that have been less volatile but have large refugee populations, particularly Lebanon and Jordan, probably also will see this improving trend begin to reverse as refugees strain already limited economic resources and continue to overwhelm health care systems. Meanwhile, low oil prices are squeezing the budgets and economies of the Gulf countries, limiting their ability to bail out strategically critical countries like Egypt or to offer aid to others.

- The region has not been conducive to much self-generated growth, with revolutionary and counterrevolutionary dynamics in Egypt; civil wars in Iraq, Libya, Syria, and Yemen; and the persistent Israeli-Palestinian conflict—all of which have undercut any efforts to provide meaningful political and economic opportunity.
- The usual tool in the region for managing public discontent—subsidies and other cash payouts, funded by hydrocarbons and foreign assistance—is faltering with oil prices well below pre-2014 levels and unlikely to recover. After nearly a decade of capital surpluses—at least some of which found its way to non-oil states through aid—and strong investment and remittance flows, the region will see a distinct capital shortfall. The richer oil states of the Gulf Cooperation Council (GCC) will draw on their reserves to sustain domestic spending but will have less to share. Middle-level producers like Algeria and Iraq will struggle to continue buying social peace, increasing the risk they will resort to crackdowns on dissent. Egypt, Jordan, Lebanon, and Tunisia will see less Gulf largesse, worsening the economic conditions and increasing the risk of instability in these countries. The non-Arab, non-oil states of Israel and Turkey could escape

these pressures, but neither has a large enough economy nor sufficient regional ties to be a major source of regional growth.

In the next five years, states' failures to meet popular demands for security, education, and employment will continue to provide fertile ground for **violent radicalization**. Support for illiberal religious and sectarian elements could expand in popularity, reducing historic tolerance of minority groups and preparing the ground for a violent push to create a more homogenous region. Alternatively, the actions of extremists still could discredit radicalism and encourage more citizens to rally around state institutions.

- Civil conflict and lower oil revenue are stressing governance structures in the region, resulting in a **decline in overall governance** and service provision. Prolonged periods of conflict are also taking a toll on institutions: from 2004 to 2014—with civil war and regime change in Iraq, Syria, Yemen, and Libya—regional states' scores on the World Bank's Governance Indicators declined in the key areas of voice and accountability, political stability and absence of violence, government effectiveness, the rule of law, and control of corruption.
- In light of these **shortcomings of central governance**, individuals and tribes are likely to play a larger role in political debate, organizing and mobilizing at a subnational level. The creation of local and municipal councils in the war-torn states of Syria and Libya may exemplify this trend.

Geopolitical Relevance of Region in Next Five Years: Contagion and Competition. Progress toward a regional security framework is likely to be limited at best, with large-scale violence, civil wars, authority vacuums, and humanitarian crises persisting for many years. Similarly, the region will be shaped by state and nonstate actors who seek political and strategic advantage for their own versions of religion but also work to manipulate the views and behavior of wider circles of believers.

- The **intensity of violence** in the Levant and the Arabian Peninsula threatens to further fragment the region—creating distinct political and economic conditions in the Gulf, Levant, and Maghreb regions—and to spread contagion well into Sub-Saharan Africa, Europe, and Central, East, and South Asia via transnational radical Islamist ideas and movements.
- The area is especially **vulnerable to water stresses** and local, national, and transnational tension over access to water resources. Even the wealthiest countries in the region, which use desalination plants for water supplies, face existential vulnerabilities if those plants are compromised.

The region's ills are unlikely to be contained, ensuring that growing humanitarian crises and civilian victimization will continue to undermine international conflict and human rights norms. Heavy touting of these norms by the West without sufficient backing or material support further weakens the West in the eyes of Arab publics. Perceptions in the region's capitals that the United States is not a reliable partner—whether due to the US pivot to Asia or Washington's decision not to support Mubarak and other Arab incumbents in 2011—has opened the door to geopolitical competition with Russia and possibly China and to hedging by Arab states regarding commitments to Washington. Amid persistent conflict, refugee flows will persist—although some may be forced to seek destinations other than increasingly inhospitable Europe.

Iran, Israel, Saudi Arabia, and possibly Turkey may remain powerful and influential relative to states in the region that are grappling with instability but they will be at odds with each other on a variety of issues, and several face looming domestic challenges that are likely to affect their regional aspirations. Iran's growing power, nuclear capabilities, and aggressive behavior will remain a concern for Israel, Saudi Arabia, and some other GCC states. These concerns are exacerbated by the sectarian nature of Iranian and Saudi regional competition, with dehumanizing rhetoric and allegations of heresy fanning the conflict throughout the region.

- Risks of instability in Arab states such as **Egypt, Algeria, and Saudi Arabia** will almost certainly grow in the long term, especially if the price of oil remains low. Riyadh is embarking on some economic reforms and much smaller social and political reforms. These efforts are significant and could increase job creation for Saudi youth but could also come too late to satisfy popular expectations. Moreover, the reforms are aimed at developing a Saudi Arabia that can compete with emerging Asian and African exporters as a low-cost option, or with developed countries in services, and will prove exceedingly difficult to meet. Lack of clarity about a Saudi transition after King Salman will also contribute to uncertainty about the prospects for the reform effort.
- **Global demand for the region's energy resources**—especially from Asian states—will continue to ensure international interest and engagement in the region, but external powers will lack the will or capability to “fix” the region's numerous problems, and some will be drawn into its fights, probably protracting current and future conflicts.
- **Israel, Saudi Arabia, and some other GCC states are concerned** that Iran will use funds from the Joint Comprehensive Plan of Action (JCPOA) to increase regional activities that will further erode regional stability. In the long term, these states also will be sensitive to Iran's behavior as restrictions on Iranian nuclear activity are lifted under the JCPOA process. Tension between Iran and regional states will increase if Tehran uses its greater financial and military resources to aggressively assert its interests in the region or if Iran's neighbors fear Tehran seeks to resume nuclear weapons work.
- The **return of great-power politics** to the region, with renewed Russian engagement, will be another powerful force affecting future dynamics. Since coming to power in 2000, Russian President Putin has sought to project power into the region; Moscow's military and intelligence support for Damascus may suggest overtures to other former Soviet allies, such as Iraq and Egypt, could be on the horizon.

Other Considerations. Demographic and economic pressure, as manifested in the “Arab Spring” uprisings, probably will remain unresolved and could worsen if protracted turmoil fuels a major brain drain. Youth unemployment—certain to remain a challenge for years as a result of the region's demographic profile—and the absence of economic diversification will further hinder economic growth, improved living standards, and integration into the global economy for most countries in the region. Land and water resources, already critically tight, are likely to get worse with urbanization, population growth, and climate change. Better management and sanctions relief have spurred Iranian economic growth, but whether economic improvement will help bring about political reform is less clear.

- An **emerging lost generation of conflict-scarred children** without access to education or adequate healthcare probably will create new populations vulnerable to radicalization. Continued instability is likely to make conditions for women throughout the region even worse, judging by the increased harassment and victimization experienced in recent years. Specifically, weak economic growth and concern about employment can fuel the growth of identity-based extremism. Arab youth questioned in the eighth annual Burson-Marsteller survey in 2016 overwhelmingly rejected the rise of the so-called Islamic State but simultaneously noted that a lack of jobs and opportunities was the top recruitment driver for the group.
- In light of these dynamics, **reinvigorated interest in the fate of the West Bank and Gaza** could emerge as a galvanizing force among Arab populations. Recent events—including the civil war in Syria and the rise of the Islamic State—that have dominated the media are also prompting additional Palestinian refugee movement and concern about shortfalls in financial support for the Palestinian people. Palestinian studies suggest Gaza residents still need \$3.9 billion for reconstruction and recovery support as a result of the Hamas-Israel conflict in 2014. Their needs are of interest to the rest of the region’s Arab populations: In a poll conducted in 2011 by the Arab Centre for Research and Policy Studies, over 80 percent of more than 16,000 respondents across the Arab world noted that the Palestinian question was the cause of all Arabs, not of the Palestinians only.

Risks for **environmental crises**, such as drought, extreme temperatures, and pollution will also remain high. Land and water resources are already critically tight and are likely to get worse with urbanization and the effects of climate change.

- In **Yemen, conflict zones, high water prices, and damaged infrastructure** have aggravated already grim water problems, leaving 80 percent of the population without access to reliable fresh-water sources. Without adequate infrastructure, water stored for domestic use can become contaminated and expand the breeding habitats for mosquitos, malaria, dengue fever, and cholera.
- In **Jordan**, the influx of refugees from **Syria** has forced the government to pump more extensively from declining aquifers. **Egypt** will face emergent water challenges from upstream development on the Nile, particularly as Ethiopia begins filling the reservoir of the Grand Ethiopian Renaissance Dam.
- Urban air pollution in the region remains among the worst in the world, particularly in **Iran** and **Saudi Arabia**.

Public health issues in the region will also be critical. Egypt is one of the countries in which the highly pathogenic avian influenza virus is now endemic in poultry and presents a risk to humans. Since 2012, Saudi Arabia has been handling an outbreak of the Middle East respiratory syndrome (MERS-coronavirus) and there is ongoing concern that the virus could mutate and become increasingly contagious. A more widespread outbreak could contribute to instability if handled poorly.

Nevertheless, despite these pressures, a low-probability, more beneficial scenario for the region might emerge if oil markets tighten and prices begin to rise. Leaders in Iran and Saudi Arabia would feel less pressure to focus on a zero-sum competition for oil market share, which could result in a lowering of their sectarian rhetoric. Better bilateral relations could defuse their proxy wars and help stabilize the

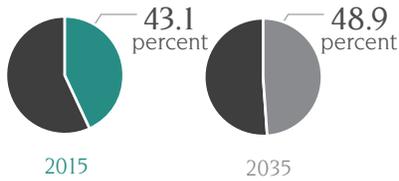
region, potentially helping create the conditions for grassroots movements to offer a compelling and constructive alternative to authoritarianism or ISIL and Islamic extremism. A genuine public dialogue and economic development that is consistent with religious and other cultural norms could channel the frustrations that underlay the Arab uprisings of 2011.

EGYPT

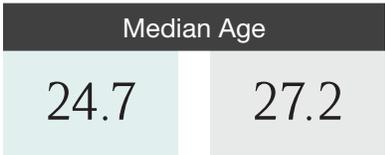
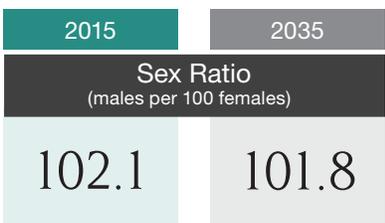
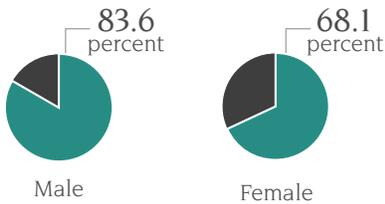
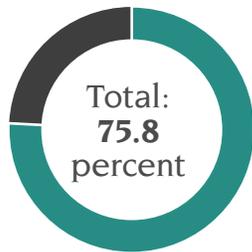
2035 Population Projection:
125,589,000



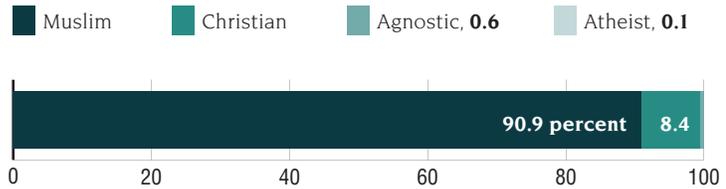
Percent Urban



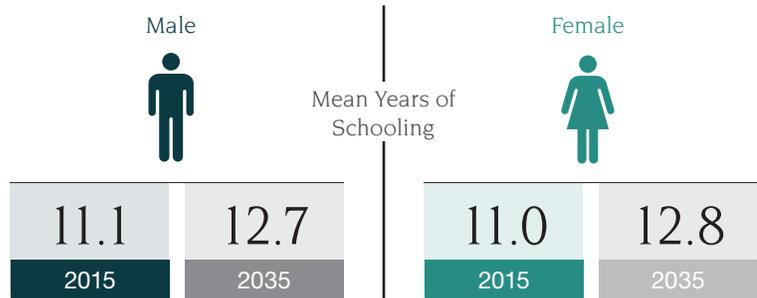
Adult Literacy, 2015



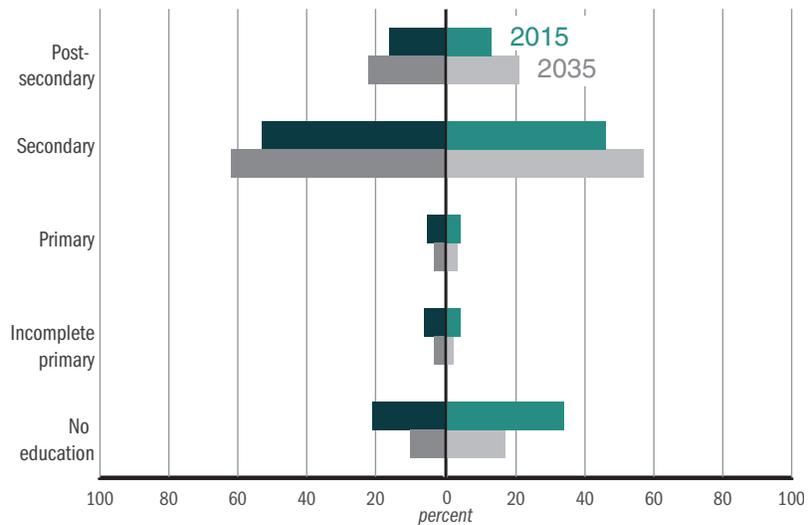
Religion, 2015^a



Education, 2015 and 2035



Highest Educational Attainment



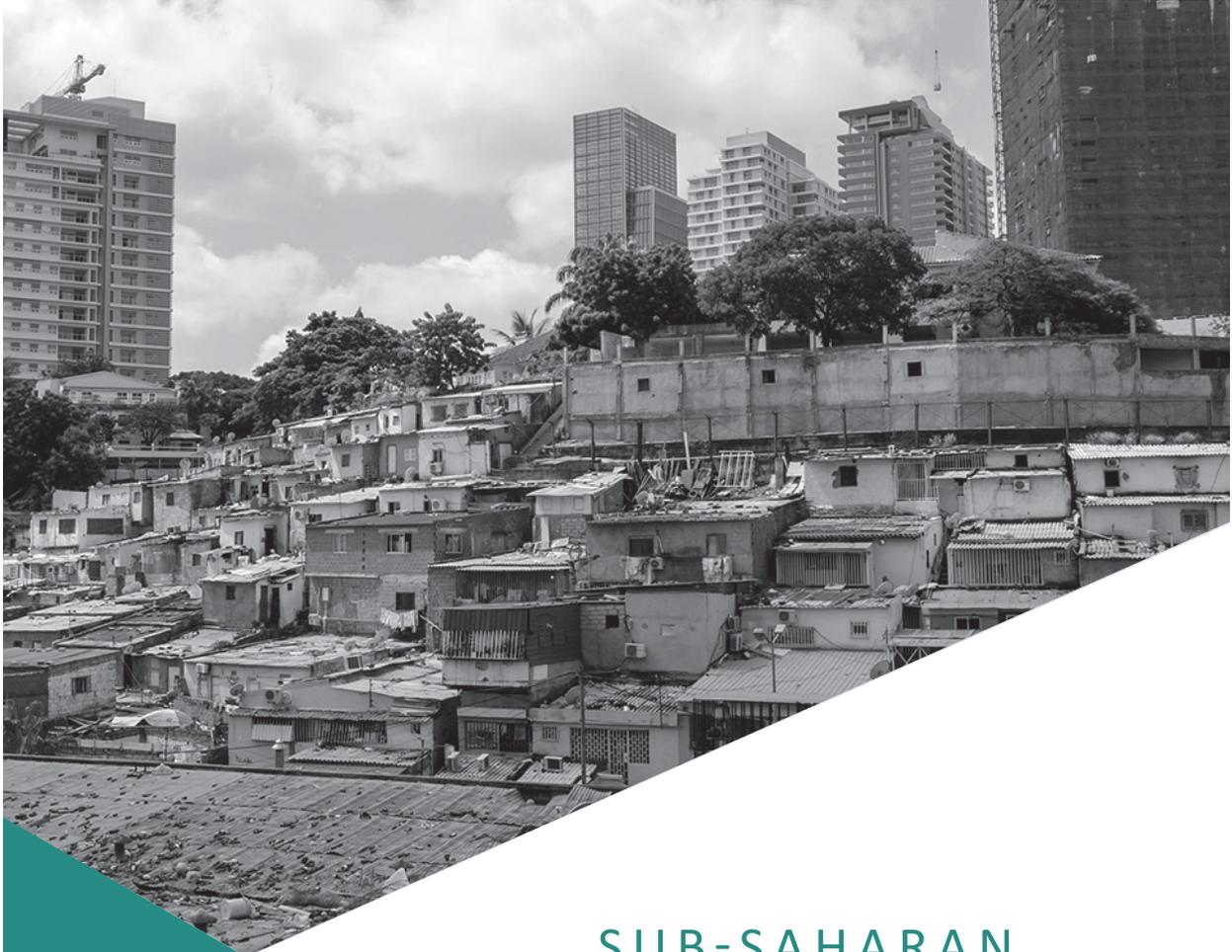
Life Expectancy



^aEstimates for religious affiliation are based on data from the World Religion Database and are rounded to the nearest one-tenth of a percent.

^bTotal Fertility Rate is the projected average number of children born to a woman if she lives to the end of her childbearing years.

Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.



SUB-SAHARAN AFRICA

Fabian Plock / Shutterstock.com

Sub-Saharan Africa

In the next five years, Sub-Saharan Africa will become more populous, youthful, urban, mobile, educated, and networked. Projected rates of population growth for the region are the world's highest and, with no likely imminent changes to the longstanding gender inequality issues that are largely driving high fertility, the sheer scale of the population increase will strain food and water resources, health care capacity, education, and urban infrastructure. These conditions will also generate increased migration outflows where economic growth is insufficient to support the population. As a result, a young, urban, and networked population will become the engine of economic and political dynamism, despite the waning of the geopolitical and economic trends that fueled the region's strong performance in the past decade. At the same time, a growing population of educated and urban youth will strengthen existing trends of religious affiliation and of protests fueled by dissatisfaction with corruption, rising inflation, high unemployment, and poor government performance. In such conditions, complex security problems will mount, ethnic tension escalate, and religious extremism, particularly radical Islam and fundamentalist Christianity, will spread even further.

The region is likely to suffer from insufficient economic growth and job creation, putting a premium on good governance and further overwhelming the abilities of most governments, very few of which have implemented policies and have infrastructure—or the educated workforces—to secure “demographic dividend” economic growth by adding productive new workers. Chinese demand for commodities—a windfall for African exporters in recent years—will moderate as China's economy cools, and aid flows may decline as developed countries' economies remain weak and growing humanitarian needs elsewhere compete for donors.

- **Mass mobilization, urbanization, and religious affiliation.** Given the expansion of democracy—there are more democratically elected governments in Africa today than since decolonization in the early 1960s—African publics will increasingly use protests and political action to shape government policy and drive societal change. Nevertheless, some experts warn that democracy has stalled or even reversed; the majority of these young democracies remain weak, and corrupt and badly fractured states—including the latest addition, South Sudan. The process of democratic deepening in the medium and longer term will rely on the success of a growing number of assertive civil society organizations in challenging election results, unpopular economic policies, overzealous security agencies, human rights abuses, and unwanted constitutional amendments. In this regard, Africa's growing urban populations become crucial to democratization because the vast majority of civil society organization members will live in cities.
- Rapid urbanization is also likely to stress marginal infrastructure, however, and this will combine with the increased visibility of corruption to fuel public frustration with governments' failures to provide services. First-generation city dwellers tend to be more religious than subsequent generations, and urbanization will boost religious affiliation, possibly giving rise to religion-based conflict. Urbanization can also boost public participation in governance, potentially raising tension between political groups or serving as an engine of nation building that helps blend Africa's mosaic of ethnicities and religions. These divergent possibilities highlight the importance of sustaining African-driven good-governance efforts through regional and subregional institutions such as the African Union, the Economic Community of West African States, the East African Community, and the South African Development Community.

Complex Security Threats. Although significant efforts have been made to confront willful destruction by groups such as al Shabab, Boko Haram, ISIL, Ansar al Shari’a, and Al Qa’ida in the Lands of the Islamic Maghreb, African governments will continue to grapple with the asymmetric threats posed by rebels and extremist groups. Many national and regional militaries almost certainly will lack funding, personnel, and training to deal with such challenges, especially because rebels and terrorists can acquire weapons and other resources easily from international networks across the many porous African borders. Africans will continue to contribute troops to international and regional peacekeeping, but some of these well-intentioned operations are ad hoc mechanisms being used to address complex security threats, facing an uphill task under mandates that blur peacekeeping, stabilization, counterinsurgency, counterterrorism, atrocity prevention, and state building. Some troop contributing countries probably will continue to rely on multilateral peacekeeping missions to train and fund their militaries, but recent acknowledgment that peacekeeping forces sometimes commit atrocities themselves may undermine some multilateral engagement.

- **Radicalization.** Most of Sub-Saharan Africa will continue to reject violent and radical ideologies, but those who embrace such movements are increasingly capable of disruption and widespread messaging, in part through use of social media. Radical groups, with their promises of purposeful opposition to the government and cash rewards, will appeal to some of the disenfranchised. For example, Christian militias have driven tens of thousands of Muslims to flee their homes in the Central African Republic as opposition groups vie for power. The quality of state responses to these challenges will be crucial. Military and extrajudicial responses—as seen in West and East Africa—will only complicate and heighten the trend. Better results are likely from deescalatory measures, improved state capacity in intelligence gathering and analysis, judicial transparency, political decentralization, community policing and development, and youth engagement and employment initiatives that would drastically reduce extremist groups’ recruiting pools.
- **Slowing Demand.** Many of Africa’s economies will remain vulnerable to swings in global commodity prices and Chinese and Western demand. Most African commodity exporters are not sufficiently diversified to withstand a rout in commodity prices, although some African countries that are not commodity producers instead benefit from low prices. After 15 years of unprecedented growth rates, African economic growth slowed to 3.8 percent in 2015, largely because of weakening Chinese and other demand for commodities such as copper, oil, and gas. Nigeria and Angola—the region’s biggest oil exporters and accounting together for roughly a fifth of Africa’s population—were hard-hit and could take years to develop non-oil revenue sources. That effort would probably force both governments to cut spending, potentially including education and other programs needed to prepare their large youth populations for employment in the modern global economy.
- **Environmental, ecological, and health risks.** Africa’s mosaic of savannahs, forests, grasslands, deserts, and freshwater resources, its millions of people and countless ecosystems face severe threats from natural as well as human-induced environmental change. Many of these challenges transcend national borders and individual states’ capacities and require coordinated multinational action, but the troubled states involved probably will not view environmental and human health issues as their most-pressing priorities.
- **Pressures from populations and grazing livestock and loss of arable land,** coupled with recurrent droughts and floods, will drive further degradation of soil fertility and vegetation

cover in the region. Desertification threatens Sub-Saharan Africa more than any other region in the world, and deforestation—progressing in the region at twice the world rate—adversely affects habitats, soil health, and water quality, particularly in Central Africa. An estimated 75 to 250 million people in Africa will face severe water stress, which will likely lead to migration. Uncontrolled burning, wood and charcoal cooking, industrialization, and widespread use of leaded gasoline contribute to greatly polluted air, while waste management is uniformly poor across the continent.

- Despite great strides in raising global public awareness of the **critical human threats to wildlife**—particularly elephants and rhinos—huge profits for criminals continue to drive poaching and illicit trafficking and nudge them closer to extinction. The rich fisheries off the West African coasts are being rapidly depleted by commercial and illegal fishers. Intensifying pig and poultry farming contributes to emergent zoonotic diseases that pose economic and health risks to Africans and in some cases to the rest of the world.

The political effects of these trends will vary considerably across the 49 countries, with some moving towards decentralization while others experiment with Rwanda-style centralization and authoritarianism. Most leaders will remain transactional and focused on political survival rather than political or economic reform. The generational transition in politics that many African countries will undergo in the next five years will be a telling indicator of future security and stability, with those that maintain the status quo risking instability and those that let power pass to the next generation probably better equipped to manage the technology- and development-induced changes to come. These transitions are also likely to play into ethnic divisions, heightening the possibilities for conflict.

- **Investment in human capital—especially for women and youth**—and in institutions that foster human development and innovation will be critical to the region’s future prospects. The expansion of the region’s middle class, the dramatic improvement in life expectancy in the past two decades, the vibrancy of civil society, the spread of democratic institutions and a democratic ethos, and the decline in the incidence of HIV/AIDS all point to the many positive possibilities that exist in Africa.

Geopolitical Relevance of Region in Next Five Years: Competition in Governance. In the next five years, Sub-Saharan Africa will remain a zone of experimentation and influence for governments, corporations, nongovernmental organizations (NGOs), and individuals seeking to improve Africa’s development conditions and eventual access to its markets. Most African countries will focus on internal issues as they struggle to consolidate gains of the past 15 years and to resist the geopolitical and economic headwinds that threaten them. The flow of economic migrants out of Africa will increase if job prospects remain insufficient amid slowed global growth rates and as rural environmental stresses and rapid population growth swell urban populations. Security and counterterrorism activity will increase in the region in the near term as militant Islam and Christian extremism continue to spread into regional enclaves and even some cities.

The region may well become an arena of geopolitical and resource competition as political elites make different governance choices. Increasing religious affiliation in many parts of Africa may encourage pushback on some liberal norms and institutions, reflecting current misgivings about international liberalism and resentment of the West for imposing its morality on Africa.

- The **weakness of formal political institutions** in many African states suggests that vacillation between democratic and authoritarian politics will persist, particularly as international engagement wanes, risking large-scale political instability. US and Western retrenchment from Africa will be of particular concern in light of the relative expansion of China's influence, but China's role in the region remains uncertain. Economic strength and interest in African resources have made China an important source of funding for infrastructure, and significant commercial investments by Chinese companies contributed to Beijing's clout in the region, but the recent cooling of Chinese demand for raw materials—and Chinese firms' poor reputation as employers—may dilute this influence. Russia has not been a significant player in Africa since the collapse of the Soviet Union and is unlikely to have the capacity or desire to engage in a significant way. European policy is likely to be limited by economic constraints but could find increased aid a cost-effective way to help abate the flow of migrants.
- The **international human rights agenda** in Africa will almost certainly weaken, with realist calculations offsetting normative impulses in Europe and North America. African leaders will continue to see the International Criminal Court as biased against Africans and may be more assertive in rejecting the Court.
- Electricity generation and technologies that leapfrog brick-and-mortar infrastructure—such as 3D printing, which could obviate the need for many large-scale manufacturing plants—hold the promise of significant economic benefits and will attract significant public and private interest. Investment in basic infrastructure will be critical to economic growth, and the potential returns to well-managed infrastructure investments are high, given Africa's strong growth potential compared to other regions. An environment of low yields elsewhere could make Africa attractive for foreign investors, potentially improving economic and political fortunes across the continent.

Other Considerations. Africa's population will be the world's fastest growing in the next five years. Fertility rates have declined slower than many demographers anticipated, decreasing from 5.54 children per woman in 1995 to 4.56 in 2015. The overall drop may reflect the relative success of the UN Millennium Development Goals, especially in the areas of women's health and education. The central regions of Africa will remain among the world's most-youthful and the most at risk for violence and instability if opportunity and governance are insufficient.

- **Development conditions**, which have improved significantly in the past 15 years, probably will stall or even deteriorate if the continent fails to reduce corruption and to develop capacities for political and microeconomic policymaking in its difficult geopolitical and economic environment. Issues related to persistent poverty are the most pressing problem for Sub-Saharan Africa. Life expectancy at birth in Africa is 60 years, a significant improvement from two decades ago but still the world's lowest. Lack of access to clean water, sanitation, and health infrastructure increases the risk of rapidly spreading communicable diseases that range from intestinal parasites to Ebola. Despite substantial gains in mitigating the impact of HIV/AIDS made with international aid, 19 million Africans still live with the virus, more than in any other region. Beyond HIV/AIDS, other indicators highlight the continent's continued public-health fragility. Maternal mortality rates have declined recently but remain high, and health outcomes for children under five years are even worse: in 2015 alone, 5.9 million children under age five died, a rate of almost 16,000 per day; 83 percent of those deaths were caused by infections, neonatal complications, or nutritional status.

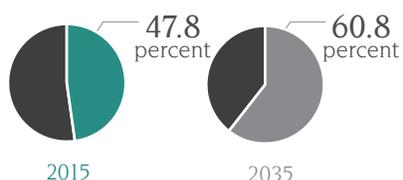
- The **progress made against HIV/AIDS** and the eventual containment of the 2014 West Africa Ebola breakout spotlight the potential for further health gains in through partnerships between African states and the international community. Sub-Saharan Africa has become the world's central health strategy proving ground, with major aid agencies concentrating their efforts against many disease fronts. The operational footprint of these initiatives spans dozens of national governments and numerous international agencies and NGOs and affects millions of Africans. Managing and implementing these operational networks will be a prime test of responsible, effective governance for African governments and their development partners.
- **Africa will drive the global pace of rural-to-urban migration.** Some African cities have tried to limit movement to metropolitan areas, citing concern about infrastructure and capacity, but others recognize the potential benefits of urbanization, and the trend will continue largely unabated. For example, Accra, Ibadan, and Lagos have formed an urban development corridor to link commerce in those three cities, creating opportunities for growth that, in turn, can generate jobs. By 2020, Lagos (14 million people) and Kinshasa (12 million) will be larger and more congested than Cairo. In many African countries, even what are now small trading centers will grow into cities. Nigeria, for example, will soon have 100 cities of more than 200,000 inhabitants.

NIGERIA

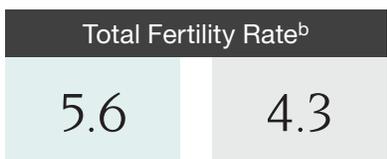
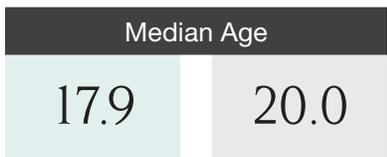
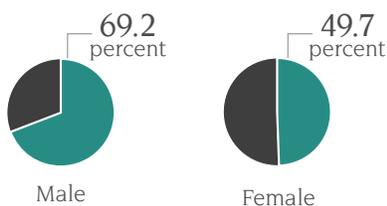
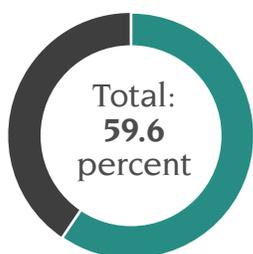
2035 Population Projection:
293,965,000



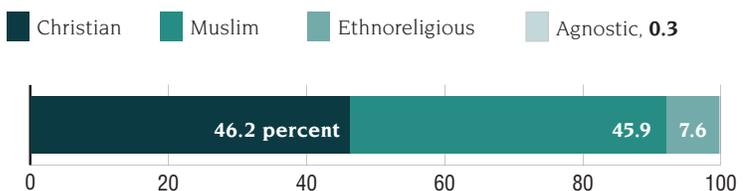
Percent Urban



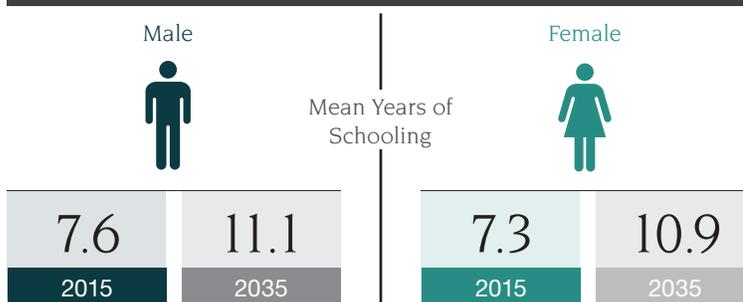
Adult Literacy, 2015



Religion, 2015^a



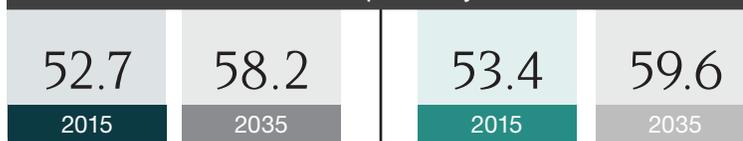
Education, 2015 and 2035



Highest Educational Attainment



Life Expectancy



^aEstimates for religious affiliation are based on data from the World Religion Database and are rounded to the nearest one-tenth of a percent.

^bTotal Fertility Rate is the projected average number of children born to a woman if she lives to the end of her childbearing years.

Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.



RUSSIA AND EURASIA

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Russia and Eurasia

The next five years will see the Russian leadership continue its effort to restore Russia's great-power status through military modernization, foreign engagements that seek to extend Russian influence and limit Western influence, nuclear saber rattling, and increased nationalism. Moscow remains insecure in its worldview and will move when it believes it needs to protect Russia's national interests—as in Ukraine in 2014—or to bolster its influence further afield, as in Syria. Such efforts have enabled President Putin to maintain popular support at home despite difficult economic conditions and sanctions, and he will continue to rely on coercive measures and information control to quash public dissent. Moscow will also continue to use anti-Western rhetoric—and a nationalist ideology that evokes the imperial and moral strength of the Russian people—to manage domestic vulnerability and advance its interests.

The Kremlin's ideology, policies, and structures—and its control of the economy—enjoy elite and popular support, notwithstanding significant repression of civil society and minorities.

- This **amalgam of authoritarianism, corruption, and nationalism** represents an alternative to Western liberalism that many of the world's remaining autocrats and revisionists find appealing. In Moscow's view, liberalism is synonymous with disorder and moral decay, and pro-democracy movements and electoral experiments are Western plots to weaken traditional bulwarks of order and the Russian state. To counter Western attempts to weaken and isolate Russia, Moscow will accommodate Beijing's rise in the near term but ultimately will balk before becoming junior partner to China—which would run counter to Russia's great power self-image.

Russian insecurity, disappointment, and distrust of the liberal global order are firmly rooted in the simultaneous enlargement of NATO and the European Union (EU) following the Cold War, motivating its actions abroad; its use of "gray zone" military tactics, which deliberately blur conditions of war and peace, is likely to continue. Russia's various moves in recent years, however—in Georgia, Ukraine, and Syria, and via support to far-right populist parties in Europe—raise three important questions:

Which of the principles of international order from the 20th century will Russia support in the 21st century?

How far will Russia go in championing a "Russian world," playing up the centrality of Russian civilization and the rejection of Western liberal values?

What, if any, challenges to the current political borders in Eurasia will Russia pose in defending its perceived sphere of influence?

Geopolitical Relevance of Region in Next Five Years: Revisionism, Again. Russia's aggressive foreign policy will be a source of considerable volatility in the next five years. Moscow almost certainly will continue to seek territorial buffer zones on its borders, including in the Arctic, and to protect sympathetic authoritarian governments, particularly along its periphery. This assertiveness will harden anti-Russian views in the Baltics and parts of Eastern Europe, heightening the risk of conflict. Moscow will cooperate internationally in ways that enhance Russia's geopolitical influence and encourage progress on issues of importance to the Kremlin, such as nuclear nonproliferation, while challenging norms and rules it perceives as inimical to its interests. Moscow believes it has little stake in the rules of the global economy and—even though a tepid economy will remain a source of strategic weakness—will take actions to weaken US and European influence over them. Moscow will test NATO and European

resolve, seeking to undermine Western credibility; it will try to exploit splits between Europe's north and south and to drive a wedge between the United States and Europe.

- The **Putin government will continue to give priority to military spending** and force modernization, with an emphasis on strategic deterrence, even in the face of economic stagnation or recession.
- **Russia will continue to react to NATO** deterrence measures and an increased military presence—even if not permanent—in the Baltics and Central Europe. Moscow will also remain highly sensitive to US engagement in those regions, which Moscow sees as within its rightful sphere of influence.
- Russia's **robust cyber operations** almost certainly will pose an increasing threat to the West as it seeks to reduce dependence on Western technology and to improve its indirect and asymmetric warfare capabilities.
- Given the centrality of the United States to global affairs, Russia will also continue to devote resources to **efforts to shift US policies** in its own favor.

If Moscow's tactics falter, its geopolitical influence may steadily fade, and Russia may suffer domestic instability. On both counts, the adverse economic outlook—lower oil prices, Western sanctions, stagnant productivity, poor demographics, chronic brain drain migration problems, and inability to diversify into high-tech sectors—is likely to undercut Moscow's ambitions in the long term. Economic and political reform—the usual remedy for such problems—will not be forthcoming in Putin's Russia.

- A further decline in status might result in **more, rather than less, aggressive** international conduct, although **growing economic constraints** and a desire to avoid overextension ultimately could temper Putin's foreign policy capacity, if not his ambitions.
- Nevertheless, the **Russian population has shown resolve** in the face of harsh conditions and may not abandon Putin. To the extent that the Kremlin can continue to bolster the people's faith in Russia's greatness, large-scale revolt may be kept at bay.

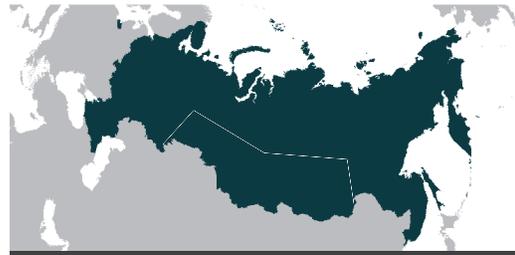
Other Considerations: Eurasia. Like Russia, many Eurasian governments emphasize control over reform and suffer from poor economic performance and corruption. They are also highly vulnerable to Russian influence—including dependence on Russian remittances, propaganda, and military and cultural ties. Reliance on Moscow, brittle political institutions, high levels of corruption, and public repression raise the risk of Ukraine-style collapses in the region. In this context, three potentially transformative developments will become evident in the next five years:

- **Increased Chinese involvement in the region**, through investment, infrastructure development, and migration into Central Asia, as showcased in Beijing's One Belt, One Road initiative, will test Russia's willingness to accommodate China's great power ambitions. China's interests in the region will remain predominantly economic, but political and security objectives may become stronger if Beijing encounters intensifying domestic extremism. Russia—having little to offer economically other than raw materials, military technology, and migrant labor opportunities despite its Eurasian Economic Union initiative—will seek to deepen political and security integration in the region, potentially putting the countries at odds.

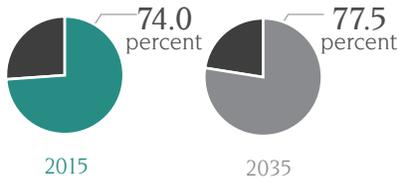
- **Resolution of the Ukraine conflict** would have repercussions across the region. A Western-oriented Ukraine reducing the systemic corruption that has plagued the country since its independence in 1991 and implementing reforms that produce at least modest growth would serve as a powerful counterexample to today's Russia. If Russia's intervention in the Donbas region led to economic and political failure in Ukraine, however, it might strengthen authoritarian systems across the region and weaken the resolve of those states looking to pursue a Western trajectory.
- Russia will continue to **seek to destabilize any Ukrainian government** that attempts to integrate itself into the West through the EU or NATO. Moscow will also continue to use a range of measures—from financial incentives for friendly governments to support for political parties and an active campaign of disinformation, through to military intervention—to support anti-Western forces in other states in the region.
- **Leadership transitions in Kazakhstan and Uzbekistan**—long functioning as anchors of stability in Central Asia—will cause concern in Moscow. The successions are unlikely to lead to dramatic changes in how these countries are ruled, but prolonged elite infighting could raise the potential for destabilizing crises, creating security vacuums that Islamic extremists would be tempted to exploit.

RUSSIA

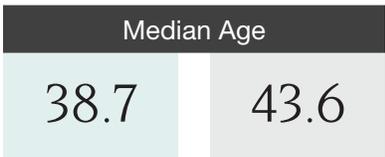
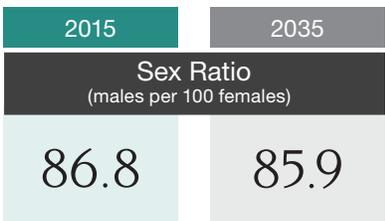
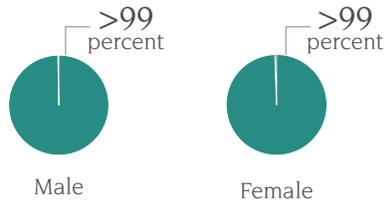
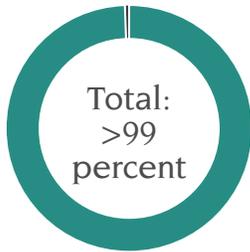
2035 Population Projection:
135,674,000



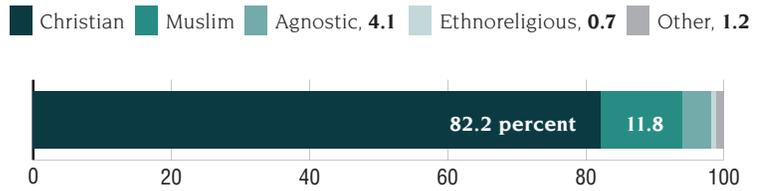
Percent Urban



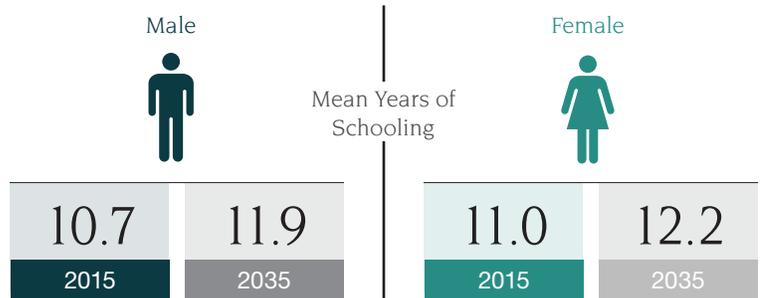
Adult Literacy, 2015



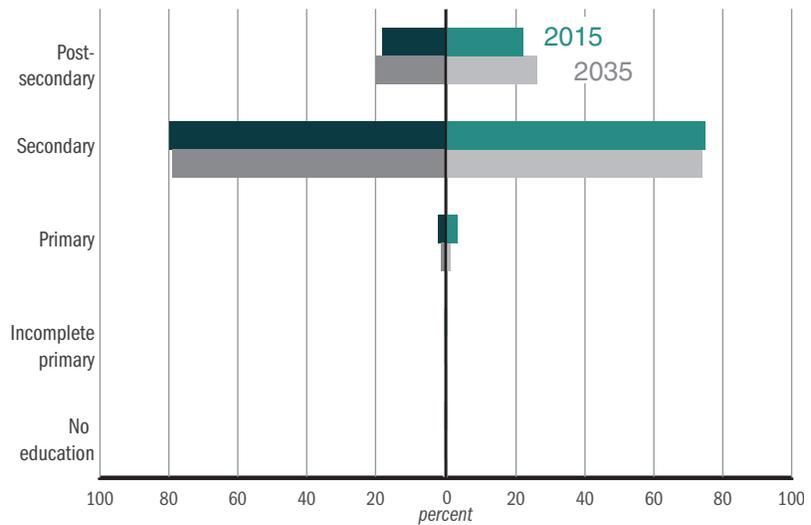
Religion, 2015^a



Education, 2015 and 2035



Highest Educational Attainment



Life Expectancy



^aEstimates for religious affiliation are based on data from the World Religion Database and are rounded to the nearest one-tenth of a percent.

^bTotal Fertility Rate is the projected average number of children born to a woman if she lives to the end of her childbearing years.

Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.



EUROPE

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Europe

In the next five years, Europe will grapple with the potential unraveling of the European project while its post-World War II social order continues to be strained by rapid migration flows from its unstable, often threatening periphery and by economic pressures from a globalized economy that are increasing economic inequality. The regional organizations that shape Europe—the EU, the euro zone, and NATO, in particular—have maintained European influence on the global stage so far despite the region’s declining shares of world GDP and population, but the EU’s existential crisis, exemplified by the “Brexit” vote, is likely to continue through at least the next few years.

Although the EU helped governments create shared prosperity, economic security, and peace, the euro zone’s lack of a fiscal union to match its single currency has left poorer states saddled with debt and diminished growth prospects since the financial crisis of 2008. Further, the EU has failed to create a sense that all citizens of Europe share a common fate, leaving it vulnerable to resurgent nationalism among its members in difficult economic times.

- **The future of the EU and the euro zone.** Political parties, national leaders, and EU officials will continue to disagree on the proper functions and powers of the EU, as well as the wisdom of the euro zone’s current emphasis on maintaining budget discipline and current account balances without giving member states greater leeway to spur growth, much less bolder, pan-European solutions to growth differences and banking-sector problems. With policy constraints in place despite continued slow growth, EU and national governments will face weakening public support, particularly if the Union cannot adequately deal with incoming migration and terrorist challenges.
- **A threatening periphery.** The danger of a more belligerent Russia and the perceived threat of Islamic extremism and spillover from the Middle East and Africa will increasingly alarm publics while failing to generate support for a uniform response. Russia is threatening Europe directly through propaganda, disinformation, and financial support for anti-EU and anti-US parties, while ISIL has inspired and assisted foreign fighters, some of whom have returned to Europe and increased the threat of European terror attacks.
- **Demographic pressures.** An unstable periphery will continue to send considerable numbers of refugees and migrants to Europe, straining the ability of national governments and EU institutions to respond, causing tension between member states and with EU institutions and fueling support for xenophobic parties and groups. At the same time, the aging of existing European populations will create a growing need for new workers. EU institutions and national governments will continue to seek limits on migration and ways of better-integrating immigrants and their children.
- **Weakened national governments.** One of the cornerstones on which postwar Europe was built was the deal that gained popular support for a liberal international economic order in return for the social protections of the welfare state. This bargain fostered stability both in terms of economic growth and representative democracy. The increase in electoral volatility in the past 30 years in Europe and the region’s weak recovery from the 2008 financial crisis are straining this bargain. New populist parties of both the right and the left are taking advantage of public dissatisfaction with slow growth, trimmed social benefits, opposition to immigration, and the decline in ideological distance between the established left and right.

Geopolitical Relevance of Region in Next Five Years: Uncertain Unity. Europe's status as a global player has rested with its unity, material capabilities, and the broad consistency in goals and geopolitical outlook shared by its member states, especially France, Germany, and the United Kingdom. For the coming five years at least, the need to restructure European relations in light of the UK's decision to leave the EU is likely to undermine the region's international clout and could weaken transatlantic cooperation. We expect further assertiveness from Russia and deliberate attempts to split the European project. While unlikely, Russian success in regaining political dominance in Kyiv or undermining stability in the Baltics would damage the credibility of the EU and NATO.

- The problem of an increasingly independent and **multidirectional foreign policy in Turkey** and its nondemocratic impulses, at least over the medium term, will add to the disintegrative currents in Europe and pose a threat to the coherence of NATO and NATO-EU cooperation.
- At the core of the European project has been the idea that Europe stands for peace, tolerance, democracy, and cultural diversity and that Europe can avoid the divisive battles that plagued its history only through unity. One reason that most EU member-state governments worked so hard to keep Greece in the euro in 2015 was their determination to prevent the unraveling of the European project. A range of issues pose a **serious threat to the future of the EU**, including the Brexit process and its fallout elsewhere in Europe, the failure of major EU member-states to implement needed economic reforms, the failure of the EU to spur growth across the region, its failure to coordinate refugee policies, and the growing nativism that is particularly virulent in some of its new member states. These stresses could usher in a nasty breakup that reinforced economic decline and even more democratic backsliding.

Other Considerations. The next five years could provide opportunities for regional governance. Brexit could spur the EU to redefine how it relates to the member states and the European public. If the Brexit vote led EU officials and member state leaders to advance policies that showed the benefits of cooperation, and if European leaders found an amicable exit for the UK that let London continue to work closely with its continental counterparts on international issues, Europe could prosper. Despite increased public dissatisfaction with European decision making, European leaders still show more ability to find common cause and craft common policies than leaders in any other region. They still have the opportunity to forge a more effective EU that better respects public sensibilities about national identity and decisionmaking, and the region's well-institutionalized democracies have structures and checks that may succeed in reducing the effects of populist or more extreme leaders.

- Despite **antidemocratic developments** in Hungary and Poland, institutional constraints have muted the impact of rightwing nativist or populist parties that have entered government in more established European democracies such as Austria and Finland. The development of strong judicial systems that practice substantive judicial review—introduced in much of Europe following World War II—remains incomplete in the newer democracies, but even in Hungary, there has been pushback to government policies seen as having overstepped accepted norms.

- **France and Germany remain committed** to working together despite their differing perspectives and policy preferences, as seen by the extremely close cooperation between German Chancellor Merkel and French President Hollande on the Greek bailout, EU policy toward Ukraine, and CT cooperation.
- It remains to be seen whether Merkel, having driven Europe's response to most of the crises of the past decade, will recover her political momentum after failing to win support—in Germany or in the EU—for a more welcoming approach to Syrian migrants. While other European countries have not been comfortable with Germany's role, it is hard to see another leader as capable of balancing the region's equities and responses.

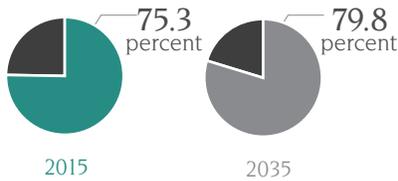
GERMANY

2035 Population Projection:

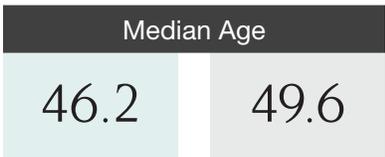
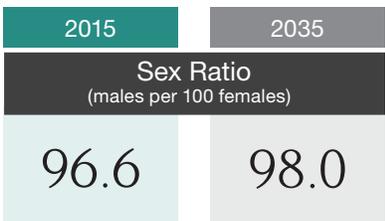
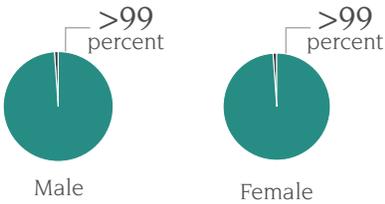
78,403,000



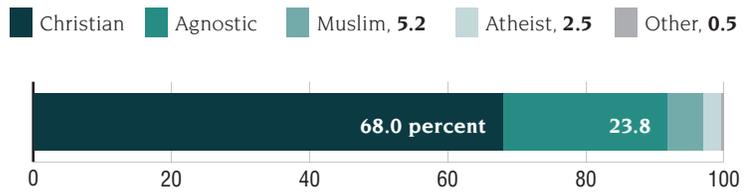
Percent Urban



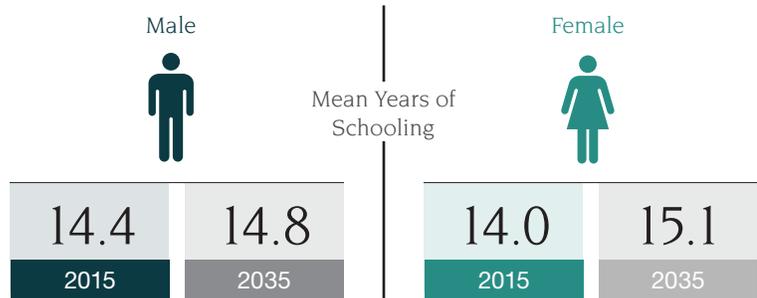
Adult Literacy, 2015



Religion, 2015^a



Education, 2015 and 2035



Highest Educational Attainment



Life Expectancy



^aEstimates for religious affiliation are based on data from the World Religion Database and are rounded to the nearest one-tenth of a percent.

^bTotal Fertility Rate is the projected average number of children born to a woman if she lives to the end of her childbearing years.

Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.



NORTH AMERICA

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North America

The North American region will be tested by growing social and political pressures in the next five years, especially if economic growth remains lackluster and fails to generate broader prosperity. With economies ranging from the United States to Dominica, conditions and dynamics vary dramatically, but governments across the region are finding it harder to manage rising public demands for greater economic and social stability at a time when budget constraints and debts are limiting options. Public frustration is high throughout much of the region, because uncertainty about economic conditions and social changes is rising at the same time that trust in most governments is declining.

The health of the **US economy** will remain the prime variable for the region, given its large size and close links. The US recovery from the 2008 financial crisis has been slower and harder than after previous downturns, and most forecasts expect US economic growth to be modest—probably not strong enough to boost growth across the region—for the next several years. Economists are divided, however, over how long the current recovery might continue. Some, focusing on the current recovery’s seven-year span, warn the US economy already is “overdue” for another recession based on historical averages, while others observe that periods of expansion have been longer—up to 10 years—in recent decades. Whenever the next US recession hits, it will reverberate through the region by reducing US demand for goods and the massive southward flow of remittances.

- Even in an increasingly diversified country like Mexico, **remittances from the United States** still account for around 2 percent of GDP, and they comprise as much as 20 percent of the economy in Haiti. Central America would be particularly vulnerable, with already struggling economies in Guatemala, El Salvador, Honduras, and Nicaragua deriving 10 to 20 percent of their GDP from remittances.
- A US economic downturn would also further close **a traditional safety valve for desperate people** who seek work in the United States as well as reduce the flow of remittances from the United States. The state of the US economy historically also has had a significant impact on Canadian growth patterns because of the large volume of bilateral trade.

Mexico’s economic and social reforms also will probably have muted political impact within the country and region. President Pena Nieto has enacted wide-ranging reforms in key industries—such as oil, communications, and finance—as well as education in an effort to enhance Mexico’s competitiveness, but growth has not increased significantly so far, and public support has soured amid corruption allegations, persistent violence, a weakening peso, and domestic crises such as the disappearance of 43 students at a demonstration in 2014. Major reforms, such as opening Mexico’s oil industry to foreign investment, take time to bear fruit, but antigovernment protests could escalate if the disappointments remain more apparent than the benefits in the next several years.

- With presidential elections in 2018 and Pena Nieto limited to one term, voters may lean toward a more leftist opposition that pushes to roll back reforms and trade deals if reforms do not reduce Mexico’s stark economic divide.
- Moreover, the success or failure of Mexico’s high-profile reforms might affect the willingness of other countries in the region to take similar political risks.

If more protectionist sentiment takes root in the next several years, particularly in the United States and Mexico, the future of trade in the region could be in play. US domestic politics has raised doubt about

the future of the Trans Pacific Partnership (TPP) trade deal, and one of the leading potential Mexican presidential candidates on the left for 2018 has blamed the North American Free Trade Agreement (NAFTA) for Mexican job losses. At the same time, however, the CAFTA-DR trade agreement between the US, Central America, and the Dominican Republic has generated less political controversy because of its more modest scope.

- Public opinion on trade varies widely across the region. Polls suggest popular concern about trade is significant in the United States—depending on how questions are phrased—while a small majority of Mexicans generally support NAFTA. A growing majority of Canadians have come to support NAFTA, although they appear less certain about the benefits of the TPP.
- In this atmosphere, an economic downturn in the region could drive some political leaders to take a harder line on trade to reassure publics, even though—as generally agreed among economists—technology and automation have been more important factors in job losses and flat wages and are likely to remain so over the coming years.

The issue of Caribbean, Central American, and Mexican immigration—and even travel—is likely to loom larger in the region in the next five years, even though the flow of workers from Mexico to the United States has dropped since the 2008 financial crisis, apparently due to the economic downturn and tighter border enforcement in the United States and more job opportunities and demographic changes in Mexico. If terrorism flares in the United States and Canada, yet tighter border restrictions could further limit movement within the region, with political, economic and social consequences.

- Strong **expressions of anti-immigrant sentiment** during the US election campaign have fueled public resentment in Mexico, which could feed into Mexico's presidential election in 2018. Moreover, the tighter the US border gets, the more Mexico is likely to increase its own efforts to gain better control of its southern border to discourage Central Americans from coming and staying in Mexico if they fail to get farther north.
- Meanwhile, the **further spread of the Zika virus** in the region over the next few years could discourage tourism, which some estimate provides around 5 percent of GDP in the Caribbean, around 7 percent of GDP in Mexico, and a large share of jobs in southern US states, such as Florida.

Concern about violence and social order will become increasingly salient for many countries in the region, though for different reasons. One prime driver of violence is the illicit drug trade. Violence is particularly rampant in northern Central America, as gangs and organized criminal groups have undermined basic governance.

- Prospects for improvement appear dim as long as governments lack the capacity to fight narcoterrorism or to provide such public goods as education, health services, infrastructure, gender equality, and the rule of law.
- El Salvador, Guatemala, and Honduras rank among the most violent countries in the world, as shown by their high murder rates for women, which have contributed to migrant flows northward, particularly of unaccompanied children in recent years.

- Some parts of Mexico have seen significant advances in economic development and governance, but other regions continue to struggle with pervasive poverty, corruption, and impunity that feed high levels of violence and social tension.
- In much of the region, activist civil society organizations can fuel social tension by increasing public awareness of elite corruption and mismanagement in their push for better governance. In August 2015, public revelations of high-level corruption in Guatemala sparked massive antigovernment protests, bringing down the President and Vice President, and civil society groups have helped mobilize major demonstrations in Honduras and Mexico, as well. Most of these protests have been peaceful but could turn violent as public frustration with political and economic elites grows, or if governments use heavyhanded suppression.

Geopolitical Relevance of Region in Next Five Years: Eyes on the United States. The arrival of a new US administration will draw intense scrutiny from across the region for any signs of change in the US global role. Given its extended engagement in Afghanistan and Iraq, highly polarized politics, and the domestic focus of the election campaign, outside observers wonder if Washington has the will and the means to continue exercising broader international leadership.

- While the US stance on trade has gotten the most attention, US allies also will be seeking assurance that Washington will honor security guarantees in the face of more assertive Chinese and Russian actions, and adversaries will be gauging their room for maneuver. North American security could become a greater concern if economic and political stresses in key states such as Mexico or Cuba spark destabilizing protests that result in changes in government or surges in migration.

Other Considerations. How public pressures for economic and political change are channeled will be a crucial issue in North America in the next several years. Modern communications have made it easier for frustrated citizens in the region to gain support and put pressure on elites, mobilize nongovernmental efforts, or compare the performance of different local governments, but the response still may not keep up with the demand.

- The capacity of social media and other forms of on-line advocacy to drive meaningful social and political change remains unclear, or at least varied across countries. For example, elites in Mexico and Central America have become increasingly aware of the risks of stark inequality and the publicity it can cause, but many observers doubt they are willing to forego their financial advantages to support reforms to improve competition, education, infrastructure, and social welfare benefits.
- Meanwhile, NGOs across the region have become more active in pushing for better government services—sometimes taking the initiative to provide services—but it is often difficult to scale these efforts to the scope of the challenge. In addition, wide variations in local and state government efforts allow for experimentation that may generate momentum for more successful approaches—or highlight the risks of poor governance.

In this environment, voters may be **driven by more-personalized politics** if they feel traditional parties and governments are not addressing their needs. Increased use of information technology has enabled some racial minority groups to highlight structural inequalities and injustices. This sensitive topic probably will continue to lead to complementary or contrary movements.

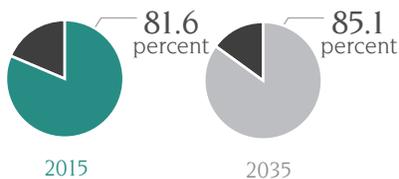
- Some citizens with the job skills and resources to work elsewhere **may vote with their feet**, expanding the brain drain from places like Mexico and Central America at a time when these countries most need strong human talent to strengthen their economies and political systems.
- Ultimately, frustrated **citizens may become more willing to take to the streets** to vent their anger if they judge conditions are worsening—with no prospect for improvement. Voters can express their views through elections, the spate of high-profile demonstrations in various countries around the world in the past several years suggests elites should not bank on public resignation.

UNITED STATES

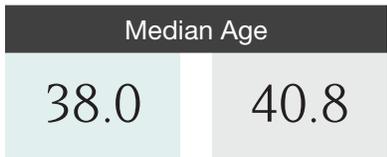
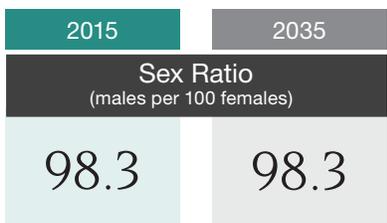
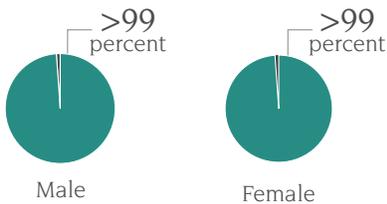
2035 Population Projection:
365,266,000



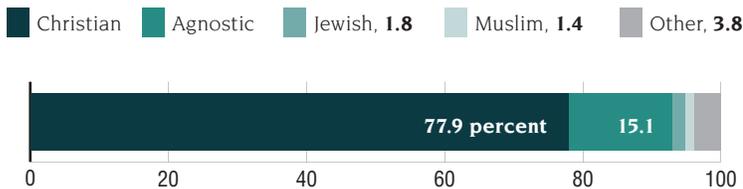
Percent Urban



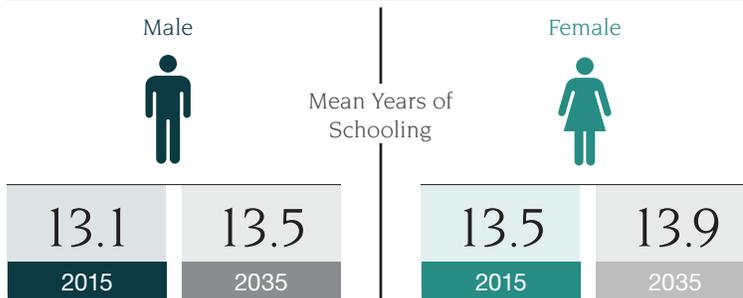
Adult Literacy, 2015



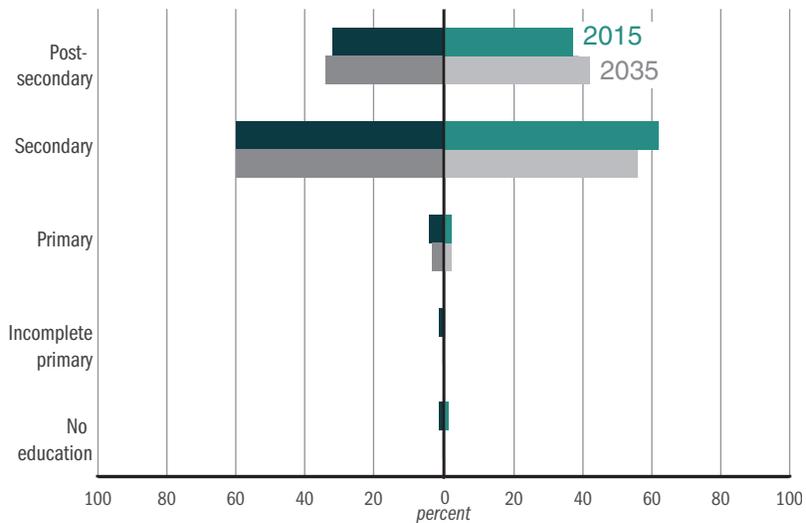
Religion, 2015^a



Education, 2015 and 2035



Highest Educational Attainment



Life Expectancy



^aEstimates for religious affiliation are based on data from the World Religion Database and are rounded to the nearest one-tenth of a percent.

^bTotal Fertility Rate is the projected average number of children born to a woman if she lives to the end of her childbearing years.

Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.



SOUTH AMERICA

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South America

In the next five years, South America will see more frequent changes in governments as a result of public dissatisfaction over economic mismanagement, widespread corruption, weak economic performance due to softer Chinese demand for commodities, and social stresses associated with new entrants to the middle class and the working poor. These conditions will also jeopardize the region's significant progress against poverty and inequality of the previous 20 years.

- An anti-incumbency wave is **reversing the leftward trend** that marked politics in parts of the continent in the past 10 years, most notably in defeats of leftists in the 2015 Argentine presidential election, the 2015 Venezuela parliamentary vote, and Brazilian President Rousseff's 2016 impeachment. Nonetheless, some incumbents facing rejection are seeking to protect their powers, which could lead to a period of intense political competition and possible democratic backsliding in some countries.

Paradoxically, some of the recent successes of the region's left are **increasing the appeal of market-friendly ideas** concerning rule of law and economic and social management. In the past dozen years, poverty and inequality have declined considerably in Latin America because of rising wages, greater access to schooling, and increased female employment. In 2003, 41.3 percent of the region's people lived below the poverty line, but by 2013 this figure had fallen to 24.3 percent. Latin America's middle class, defined as people with incomes of \$10 to \$50 per day, grew from 21.3 percent to 35.0 percent of the population during this period.

- A recent UN study, however, finds that poverty has begun to increase again—from an estimated 168 million impoverished in 2014 to 175 million in 2015—because of the region's economic slowdown. One of the chief causes for the slowdown is the dramatic drop in commodity prices, down 40 percent since their peak in 2011. Weak growth is likely to strain governments' budgets and depress already globally low rates of investment.
- The rise of evangelical Christianity in Brazil, and to a lesser degree elsewhere, will create **new political forces that stress the rule of law** and less government regulation, views that have lower-class support. In Brazil, the growing political strength of Evangelicals—roughly a fifth of the population—has shifted from an early alliance with leftist leaders to a more conservative agenda on issues such as abortion while seeking to address the needs of its poor and middle class members with a push for education. In the spring of 2016, the evangelical caucus, known as the “Bible block,” helped drive the effort to impeach President Rousseff on corruption charges. However, charges of corruption against several Evangelical politicians in Brazil could damage their political clout.

Crime and corruption are likely to remain major political liabilities for incumbents whom the public blames for weakened employment prospects, while drug trafficking and organized crime geared toward northern markets will become more prominent. Both developments will raise security concerns and stoke public dissatisfaction that could topple governments perceived as ineffective against or enabling graft or criminal activity.

- Latin America is **one of the most violent regions in the world in terms of crime** and is responsible for nearly one-third of homicides worldwide, according to a UN study. Brazil and Venezuela have among the highest murder rates in the world.
- Crime will remain the top public concern. Opinion polls suggest that many citizens identify crime as the most serious problem facing their countries, but economic concerns will probably gain more prominence as countries manage slowing economies. Countries affected by large drug trafficking organizations may see an increase in violence as well as erosion of the quality of their institutions and the authority and legitimacy of their governments.

The general lack of structural reforms—in fields ranging from education and health care to infrastructure, productivity, and taxation of the informal economy—suggest that the region stumbles as the external economic environment becomes less favorable and competition for foreign investment stiffens. Successful resolution of Colombia’s conflict would present a chance for development that might boost economic growth.

- Some fledgling but newly empowered and productive members of the working poor and **middle class bristle at supporting social welfare taxes** for those they perceive as lazy or corrupt.
- Increasing **economic and humanitarian pressure in Venezuela** could lead to a further crackdown by current President Maduro, but the loyalty of the military is uncertain, and there is a risk of humanitarian crisis that might send more refugees to neighboring countries and possibly the United States. Additional collapse in Venezuela probably would further discredit the leftist experiments of the past decade in Latin America and increase pressure to focus on improving economies.
- Health systems in the region are important **sources of political legitimacy and state-building**, arguably more than in other regions. Aging populations threaten the sustainability of health systems, and health care costs will dampen economic growth. The ongoing threats of the Zika virus and dengue fever put additional pressure on the region, especially the poorer populations.

Geopolitical Relevance of Region in Next Five Years: Political Economy. South America’s relevance as a geopolitical actor will remain muted in the next five years but it—along with Africa—will bear the brunt of the drop in Chinese demand for commodities, continued low oil prices, and near-term environmental and climate challenges. Some commodity-dependent states will struggle to manage the global economic slowdown and will look to IMF programs and free trade to promote growth and employment. Brazil probably will join Argentina in turning toward better regional relations and increased regional trade.

- We expect Brazil and other countries to remain **influential voices on international climate change** policy, especially if citizens increasingly view the environment as something other than a source of financial profit. Countries bordering the Pacific are particularly affected by El Niño events, which alter rain patterns to cause heavy precipitation and flooding in some areas, drought in others, and climate models suggest that El Niño events will become larger. The 2015-16 El Niño, the largest on record by some measures, aggravated Brazil’s recent drought, its worst in almost a century, affecting issues as diverse as Sao Paulo’s drinking water supply, hydropower production, and Zika transmission. Nevertheless, greenhouse gas emissions by

countries in the region are likely to remain significant, given middle class demand for cars in Brazil and its energy sector's belief that aggressive forestry can offset carbon emissions.

- South America's remaining left-leaning ALBA (Bolivarian Alliance for the People of our America) countries—Bolivia, Ecuador, and Venezuela—will **continue to court support from Beijing and Moscow**. China, in particular, has been generous with loans that strengthen the incumbents but have had mixed economic effects. Venezuela has long relied on Chinese financing to stay afloat, but Beijing has cut back on its largesse and is moving more closely to World Bank-like lending criteria that the ALBA countries are unlikely to meet. Large-scale instability and economic collapse in Venezuela looks likely, absent a change of government and major economic reform, and even these may not prove sufficient without substantial outside assistance.
- **Regional security threats will grow**, with the threat of large-scale instability in Venezuela, booming coca production in Colombia fueling crime in Central American and Mexico, and the persistence of drug trafficking and organized crime throughout the region. As illicit markets grow in many countries of the region, violence—and political and security institutions weakened by corruption—will become more pressing concerns. Latin American governments will press the United States and other developed countries to legalize drugs.

Other Considerations. The rightward turn in the region could be slowed or halted by corruption scandals in conservative governments. Other trends to watch are failures of governments—leftwing or rightwing—to narrow the socioeconomic gaps as economies slow. Such failures may lead to increasingly polarized societies, in which class, ethno-racial, and ideological cleavages largely reinforce each other. These inequalities could fuel the growth of indigenous and Afro-Latino movements in some Latin American countries in the years ahead.

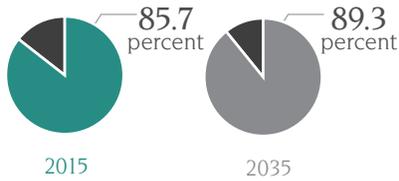
The Zika epidemic that began in Brazil in 2015—declared a public health emergency by the World Health Organization—has radiated throughout the Americas, including clusters of infections in Puerto Rico and the southeastern US. Because Zika has been shown in some cases to damage neurological development during fetal gestation, the epidemic poses a potential new form of upheaval in women's health. Maternal fears about giving birth to microcephalic infants—worsened by the many continued unknowns about the virus's spread among populations—have provoked major changes in how people in the region travel, plan families, and conduct daily life. If Zika becomes permanently established throughout the Americas, the repercussions would intensify as governments seek to cope with and counter the epidemic's impact across generations.

BRAZIL

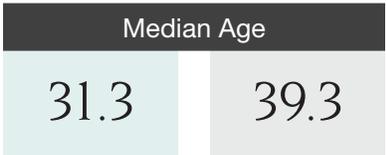
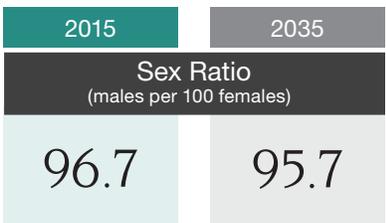
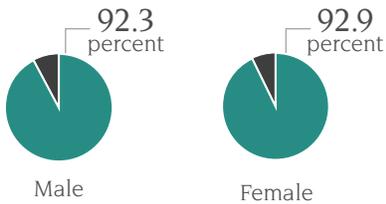
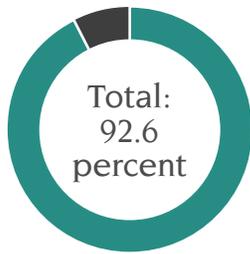
2035 Population Projection:
233,006,000



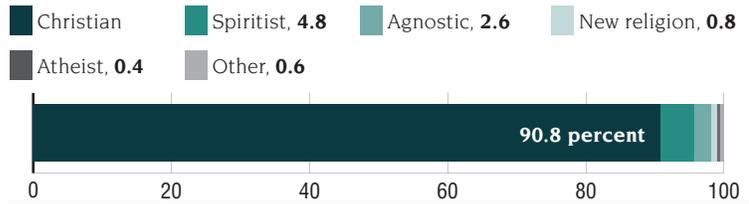
Percent Urban



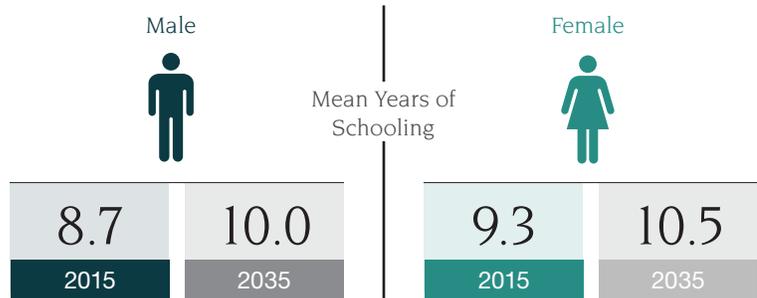
Adult Literacy, 2015



Religion, 2015^a



Education, 2015 and 2035



Highest Educational Attainment



Life Expectancy



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Note: Demographic data is presented for countries estimated to have the largest population in each region in 2035.



THE ARCTIC AND ANTARCTICA

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The Arctic and Antarctica

Environmental changes in the Arctic will shape the global climate and access to key transit lanes over the next five years. Warming twice as fast as the rest of the planet, the Arctic will continue to produce dramatic and newsworthy images that have become established earlywarning signs of the changing climate, such as stunning, high-resolution video of melting glaciers and thinning ice sheets and vivid photos of starving iconic mammals. However, other transformations under way are just as momentous, including the rapid acidification of Arctic Ocean waters, the decline in reflectivity that pushes solar heat back into space, and the temperature-induced ecological shifts that impact microbes and mammals alike. Beyond the physical changes that directly affect the 4 million people who live in the Arctic, linkages are increasingly evident between elevated Arctic temperatures and extreme weather events in mid-latitude continents, such as intense heatwaves in Russia, more severe winters in Europe, and high variability in Indian summer monsoons.

- **Shipping.** Fully ice-free summers probably remain a decade or more away, but an increasingly navigable Arctic makes the region a more salient economic and security issue. The melting of sea ice raises the possibility of drastically shorter commercial routes between major trading blocs, such as exports from China, Japan, and South Korea to Europe and North America. A more open Arctic, however, brings substantial hurdles—and potential calamities—as the unpredictability of ice, weather, and fog increases in already harsh conditions. In the next five years, pioneering efforts will outpace improvements in infrastructure needed for operation in the region, such as ship-to-shore communication nodes, transshipment facilities, refueling stations, and vessel tracking. Armed forces are typically the only national assets with the physical capabilities and monitoring equipment to operate in such an inhospitable environment, ensuring a military presence in the Arctic beyond the responsibilities of search-and-rescue and other contingencies.
- **Natural Resources.** Dangerous weather and sea ice will not dampen commercial or national interests in the Arctic's enormous natural resources. The largest unexplored area for petroleum remaining on Earth—which could contain well over 90 billion barrels of oil, 1,700 trillion cubic feet of natural gas, and 44 billion barrels of liquid natural gas—will draw continued interest in offshore drilling. Exploitation is unlikely to become economically profitable in the next five years, however—barring an unanticipated, sharp rebound in oil prices—and has been the subject of public protests. Likewise, onshore mineral development will remain largely theoretical, particularly in the absence of robust road and rail infrastructure. Warming waters increase access for commercial fishing, but environmental change and ocean acidification will have unpredictable effects on Arctic fish stocks.

Antarctica's warming has been slowed by the great depth and expanse of the Southern Ocean, with its massive thermal inertia relative to the continents ringing the Arctic. Furthermore, the several-kilometer-thick ice sheets at the South Pole are generally slower to respond than the several-meter-thick floating sea ice in the Arctic.

- However, the rapid disintegration of the Larsen B ice shelf in 2002 and the ongoing retreat of the Pine Island and Thwaites Glacier show how fast ice at the periphery of Antarctica can be lost as a result of ocean and atmospheric warming.

- Scientists have recently identified a rapidly developing crack in Larsen C—Antarctica’s fourth-largest ice shelf—that could generate a breakaway piece of ice roughly the size of Delaware. Once predicted to destabilize over 50 years, some scientific estimates now project that Larsen C might fracture within five years.
- Loss of ice shelves and glacial retreat that expose the ice of Antarctica’s interior to ocean water will accelerate sea level rises; West Antarctica alone has the potential to raise sea level by more than three meters worldwide. Whether this rise materializes over multiple millennia, centuries, or sooner remains an open question, however.

Beyond its role in doomsday sea level rise scenarios, Antarctica remains an important region geopolitically. The Antarctica Treaty of 1959—which froze the claims of 12 nations and established the continent as a scientific reserve—remains perhaps the most successful international treaty in modern history. However, an uptick in Russian and Chinese activities on the continent would fuel anxiety over possible violations of the treaty, especially among claimant states like Australia, New Zealand, and Norway.

- Controversial activities in the Southern Ocean, such as Japanese whaling and Chinese krill harvesting, will continue to spur diplomatic disputes within the Antarctic Treaty System.

Geopolitical Relevance of the Regions in Next Five Years: Avenues for Cooperation. Both the Antarctic and especially the Arctic have featured prominently in national security strategies, and diminishing sea ice is increasing economic opportunities in the region while raising Arctic nations’ concerns about safety and the environment. Harsh weather and longer term economic stakes have encouraged cooperation among the countries bordering the Arctic, but economic and security concerns will raise the risk of increased competition between Arctic and non-Arctic nations over access to sea routes and resources. Sustained low oil prices, on the other hand, would reduce the attractiveness of potential Arctic energy resources.

- Russia will almost certainly continue to bolster its military presence along its northern coast to improve its perimeter defense and control of its exclusive economic zone (EEZ). It will also almost certainly continue to seek international support for its extended continental shelf claim and its right to manage ship traffic within its EEZ. If Russian-Western relations deteriorate, Moscow might become more willing to disavow established international processes or organizations in the Arctic and act unilaterally to protect these interests.
- **Arctic Council.** The Arctic Council, made up of the eight nations that have sovereign territory within the Arctic Circle—Canada, Denmark (by virtue of Greenland), Finland, Iceland, Norway, Russia, Sweden, and the United States—continues to grow in prominence. Arctic Council members are seeking to define their territorial boundaries in the Arctic Sea according to the UN convention on the Law of the Sea—which all members except the US have ratified. Since its creation in 1996, the Council has granted permanent participant status to six indigenous Arctic peoples’ organizations and has given permanent observer status to China, France, Germany, India, Italy, Japan, the Netherlands, Poland, Singapore, South Korea, Spain, and the UK. The addition of observer nations that are thousands of miles from the Arctic reflects intensified global interest in the region, even though the Council’s charter excludes security issues.

Other Considerations: Greenlandic Independence Efforts. The former Danish colony has gradually gained autonomy since the Home-Rule Act of 1979, and a majority of Greenland's residents favor full independence. Some prominent leaders have lobbied hard for independence by 2021, the 300th anniversary of Greenland's colonization by Denmark. Nuuk's reliance on critical Danish subsidies and the downturn in global oil prices have essentially quashed these notions for the immediate future, however. The population of just 57,000 will nonetheless have an increasingly stronger voice on the use of vast mineral resources on the world's largest island, also being transformed rapidly by climate change.



SPACE

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Space

Once the domain only of superpowers, space now hosts an expanding set of actors, whose number is likely to grow in the next five years. Although only 13 of the 70 governmental space agencies have actual launch capabilities, many nations participate in a wide array of space-based activities, from operating satellites to sending astronauts to the International Space Station aboard Russian or Chinese spacecraft. Missions are increasingly multinational and multisectoral, perhaps giving people a collective sense of ownership of space not felt in decades.

- **Multinational space exploration.** A growing number of nations now sponsor missions to contribute critical scientific knowledge about our solar system. With its Mars Orbiter Mission in 2014, India was the first nation to put a space probe in a Martian orbit on its first attempt. Later that year, after a 10-year journey through space, the European Space Agency's probe *Rosetta* reached Comet 67P/Churyumov-Gerasimenko and landed its module *Philae* on its surface, the first such achievement in human history. In 2015, the United States sponsored *Dawn*, the first spacecraft to explore the dwarf planets Vesta and Ceres, and provided the world with its first ever fly-by of Pluto and its moons with *New Horizons*. Planned missions in the next five years include Japan's land-and-return voyage to asteroid Ryugu, China's landing on the dark side of the moon, a joint EU-Japan mission to Mercury, the UAE's mission to put a probe in the Martian atmosphere, and NASA's James Webb Space Telescope, which could revolutionize all areas of astronomy.
- **Commercialization.** Space is no longer just for governments. Fueled partly by the allure of future profits as well as the void created by the dwindling budgets of space agencies like NASA, private companies such as Space-X, Blue Origin, and Virgin Galactic have mounted serious programs that could soon launch humans into space. Planetary Resources is a company that aims to mine asteroids, while Bigelow Aerospace promises inflatable space habitats. Although full realization of these industries is decades away, the next five years will bring early testing that teases at the potential for private individuals to reach space.
- **New Global Navigation Satellite Systems (GNSS).** The EU's Galileo satellite navigation system is expected to reach full operational capability by 2020, significantly advancing global positioning capabilities by operating with greater precision, more global coverage, and at higher latitudes. Galileo will join the US's GPS, Russia's GLONASS, China's BeiDou, and regional systems put in place by India and Japan. Devices that can simultaneously process signals from multiple GNSS constellations are likely to offer new capabilities—such as enhanced precision, indoor and z-axis positioning, and antijamming—to the more than 4 billion users worldwide who depend on space-based global positioning.

Space *(continued)*

- **Space debris.** More than 500,000 pieces of space debris are currently tracked as they orbit the Earth, some traveling as fast as 17,500 mph. Many millions of pieces are too small to be tracked but could be hazardous to critical satellites or other spacecraft. International action may soon be necessary to identify and fund the removal of debris most threatening to an expanding global space presence.
- **Space militarization.** As space becomes more congested, it is also becoming more contested. The immense strategic and commercial value of outer space assets ensures that nations will increasingly vie for access, use, and control of space. The deployment of antisatellite technologies designed to purposefully disable or destroy satellites could intensify global tension. A key question will be whether spacefaring countries, in particular China, Russia, and the United States, can agree to a code of conduct for outer space activity.