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Asian Way

Challenge to Nation State Power and Influence	Gap in Global Standard of Living	U.S. Economic Competitiveness	Perception of Serious Threat to U.S. Security and/or Quality of Life
High	Decreasing	Weak	Low



Summary

In 2030, the world economy is increasingly dominated by Asian mega-corporations that are expanding at the expense of the formerly dominant American and European military/economic powers. The “Asian Way” of conducting business and national affairs in more discreet, shielded ways, through subtle personal networks, rather than in the Western mode of at least apparent insistence on transparency, disclosure, and – in politics – democratization, has yielded clear advantages both in the marketplace and in national affairs over the Western-style capitalism of the post-World War II era. America is trying to dig itself out of the fiscal and economic hole caused by its simultaneous attempts to insulate itself from terrorism (mainly successfully), fund the retirement of its elderly, maintain military supremacy, and keep its tax rates low. The U.S. public feels secure from any imminent threat, but feels uneasy about what appears to be the end of the era of American dominance. While Asian governments are increasingly transferring power to influential, opaque corporate interests, Washington has found itself in gridlock and losing influence to state and local governments and corporations, all of which are cutting deals with the new Asian mega-corporations. The U.S. economy is not in a depression, yet it has largely lost the technology edge that it possessed at the turn of the century. The youth of America are more and more drawn to the “Wild East” to find excitement, fortune, and opportunity. Asia is where the action is – in terms of business, culture, and even political power.

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Looking Back, 1989-2030

[from “The Asian Quarter-Century,” P. Proctor and P. Bergman; *Foreign Affairs*, January/February, 2030.]

Hypotheses are scaffolding erected in front of a building and then dismantled when the building is finished. They are indispensable for the workman, but you mustn't mistake the scaffolding for the building.

— Johann Wolfgang von Goethe, *Maxims and Reflections*

It is now 41 years since the fall of the Berlin Wall in 1989. That is, coincidentally, a time period exactly equivalent to the entire length of the Cold War, which began in earnest with the Marshall Plan and the blockade of Berlin in 1948.

When one thinks of all the major historical events that took place in that earlier span of 41 years, one cannot fail to be impressed by their massive sweep. The entire history of space exploration from Sputnik to the moon landings; six Russian premiers and eight U.S. presidents; the entire evolution of China from its communist infancy, through the Cultural Revolution, capitalist reform, and the Tiananmen massacre; the entire arc of Iran's politics from democracy under Mossadeq through the death of Khomeini. Few (or none) of these varied events, however, can be understood separate from the defining principle of that age: the Cold War.

But what of the more recent period, the last 41 years, 1989 to 2030?

For its first 20 years or so, the period beginning with the collapse of the Soviet Union was remarkable for its lack of a similar defining principle. From 1989 to well into the 2010s, the dominant character of the “Post-Cold War Era” remained in doubt, as the very use of that title makes clear.

The last three and a half decades, therefore, have seen a dogfight between academics eager to make their own particular interpretation of the “Post-Cold War Era” the dominant one. Robert Kaplan saw the 21st century as one in which an American empire, fronted by “Imperial Grunts,” would impose order on the world – or fail to do so, with resulting chaos. Various self- and other-described “neoconservatives” advocated the remaking of problematic regions of the world by means of the American military, in a democratic, free-market image. Somewhat similarly, Thomas Barnett, starting with his *The Pentagon's New Map*, developed a theory of “reducing the gap,” of integrating heretofore disconnected, undeveloped, and troublesome countries into the “core” of vibrant, economically developed, politically stable nations. Various other thinkers touted “globalization,” by which many of them seemed to mean “Americanization of the globe.” Still others predicted a backlash against globalization and a rejection of “Western cultural and political norms,” in favor of any number of religious, ethnic, cultural or nationalist ideals.

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But of all the thinkers of that “post-Cold War” period before the future began to take on a recognizable shape, two in particular present a fascinating subject for a sort of academic after-action report: Francis Fukuyama, author of *The End of History and the Last Man*, positing liberal democracy as the logical endpoint of human history; and Samuel Huntington and his *Clash of Civilizations*.

In 1989, Fukuyama wrote:

What we may be witnessing is not just the end of the Cold War, or the passing of a particular period of postwar history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government. ...[T]he victory of liberalism has occurred primarily in the realm of ideas or consciousness and is as yet incomplete in the real or material world. But there are powerful reasons for believing that it is the ideal that will govern the material world *in the long run*.¹

The central theme of Huntington's book, *The Clash of Civilizations and the Remaking of World Order*, was that

...culture and cultural identities, which at the broadest level are civilization identities, are shaping the patterns of cohesion, disintegration, and conflict in the post-Cold War world. ... [M]odernization is distinct from Westernization and is producing neither a universal civilization in any meaningful sense nor the Westernization of non-Western societies. ... The balance of power among civilizations is shifting: the West is declining in relative influence; Asian civilizations are expanding their economic, military, and political strength; Islam is exploding demographically with destabilizing consequences for Muslim countries and their neighbors; and non-Western civilizations generally are reaffirming the value of their own cultures. ... The West's universalist pretensions increasingly bring it into conflict with other civilizations, most seriously with Islam and China; ... The survival of the West depends on Americans reaffirming their Western identity and Westerners accepting their civilization as unique not universal and uniting to renew and preserve it against challenges from non-Western societies.²

Fukuyama's and Huntington's theses are not as unalterably opposed as they may seem at first blush. Indeed, there was a good deal of mutual respect between them, and an unappreciated degree of nuance to the work of each. Still, the basic stark conflict between these two views of the “Post-Cold War Era” cannot be denied. How has the passage of time treated their work? Has history come to an end with the triumph of liberal democracy, or has there been a “clash of civilizations?”

A review of the past two decades may give us an answer to this question.

¹ Francis Fukuyama, “The End of History?” *The National Interest*, Summer 1989.

² Samuel Huntington, *The Clash of Civilizations and the Remaking of World Order*, 1998, p. 20.

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False Dawn, False Sunset: The March of Democratization and the War on Terror, 1989-2015

Fukuyama's 1989 article "The End of History?" and subsequent 1992 book, *The End of History and the Last Man*, were the subject of gushing praise and intense ridicule at the time – in both cases, much of it as a result of a "bumper-sticker" understanding of his argument. As he stated in the article, he was not arguing that all world events would cease, nor was he even suggesting that a universal triumph of liberal democracy was imminent. He was arguing that, with the collapse of Marxism as an ideology, Western democratic liberalism was the only remaining credible governing ideology. The only two alternatives – theocracy and nationalism – he saw as unavailing:

In the contemporary world only Islam has offered a theocratic state as a political alternative to both liberalism and communism. But the doctrine has little appeal for non-Muslims, and it is hard to believe that the movement will take on any universal significance. ... The vast majority of the world's nationalist movements do not have a political program beyond the negative desire of independence from some other group or people, and do not offer anything like a comprehensive agenda for socio-economic organization.

The 1990s, in great part, seemed to bear out Fukuyama's thesis, as dozens of new "democracies" were born from the collapse of the Soviet empire, and completely new nations were born from the breakup of larger states (e.g., Yugoslavia, Czechoslovakia). While many illiberal states persisted in poorer and more violent areas of the world, it did not seem at all crazy to imagine a future, however distant, in which liberal democracy would more or less conquer all.

Huntington's thesis, on the other hand, was propounded in 1998, during the period when Fukuyama's optimistic³ argument seemed to be on the way to fulfillment. That year was suffused by a pre-millennial euphoria surrounding an ever-rising stock market, seemingly boundless economic expansion and globalization, and the still-novel giddy relief at the absence of the threat of instantaneous nuclear annihilation. Huntington's dour message was decidedly against the grain of 1998, when the best-seller list was topped by boom-time financial planning (*The Nine Steps to Financial Freedom*), self-actualization (*Something More: Excavating Your Authentic Self*), diet books (*Sugar Busters*), and self-congratulatory nostalgia (*The Greatest Generation*). National politics had the breathing room to be dominated by a sex scandal. It was far more a Fukuyama than a Huntington world, by all appearances.

³ Fukuyama would deny that he was being optimistic. In the same article, he states that "[t]he end of history will be a very sad time. The struggle for recognition, the willingness to risk one's life for a purely abstract goal, the worldwide ideological struggle that called forth daring, courage, imagination, and idealism, will be replaced by economic calculation, the endless solving of technical problems, environmental concerns, and the satisfaction of sophisticated consumer demands. In the post-historical period there will be neither art nor philosophy, just the perpetual caretaking of the museum of human history. I can feel in myself, and see in others around me, a powerful nostalgia for the time when history existed."

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A scant three years after the publication of *Clash of Civilizations*, of course, the American public, and even American academia, were in a mood that was far more receptive to harsh realism and a pessimistic view of national prospects. In light of the 9/11 atrocities in New York, Washington, and Pennsylvania, Huntington's thesis, until then mostly a subject for debate in academic salons, suddenly assumed a stark and almost prophetic general relevance, while the stock of Fukuyama's millenarian vision dropped precipitously. For years afterward, the phrase "clash of civilizations" conjured up an instantaneous image of a worldview that, although usually oversimplified, seemed to be backed up by the facts in a way that all the previous talk of globalization and convergence and technology *über alles* no longer was.

The previous general opinion that the world was globalizing and converging toward a Western model of liberal democratic capitalism was suddenly replaced by an equally popular belief that the dominant character of the decades to come would be determined by a long twilight struggle against terrorism and mortal conflict between incompatible civilizations.

Both popular views were incorrect, as subsequent history has shown us. The "false dawn" of 1989 was followed by a "false sunset" in 2001. For several years after the terrorist attacks of September 11, 2001, scholars and media pundits were certain that the "Post-Cold War Era" finally could be characterized with absolute certainty as "The Age of Terror." As the United States invaded Afghanistan and Iraq and new terrorist attacks hit Europe and elsewhere, that sense of certainty only deepened. The foreign policy of the United States would be organized around defeating terrorism. Samuel Huntington had won the argument.

But in reality, neither man had triumphed. Looking back from the vantage point of 2025, neither inevitable democratization of the earth nor a "clash of civilizations" has been the outstanding feature of this era. Democracy, if anything, has lost some ground since the early 2000s, and a direct civilizational clash has not materialized.

As the second decade of the new century got underway and the "Global War on Terror" was on the wane, the real outstanding feature of our times began to come more and more into focus.

The Rise of the "Asian Way": 2013-2025

Huntington was right to assert that there would be no such thing as a "universal civilization." But has there arisen a dominant civilization? Not yet, but increasingly, Asian culture, business, and society have gained prominence, power, and cachet at the expense of the West and America.

The process began, according to some, with the Beijing Summer Olympics of 2008, which many Chinese now regard as the real beginning of "Asia's Century," while 9/11 is now commonly seen as a hangover from the benighted twentieth century. But for others, the real "tipping point" was the 2013 Shanghai World Expo, where attendees were both amazed by the technological advancement on display and delighted to see it applied not to military weaponry, but to entertainment technologies, super-green automobiles, smart buildings, and other peaceful

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pursuits. One critic noted that the Expo was “the epitome of Arthur C. Clarke’s statement that ‘any sufficiently advanced technology is indistinguishable from magic’. This sentiment certainly applies to the technology on display, but it applies no less to the magical transformation of this so-recently Forbidden Kingdom.”⁴

Since the World Expo, China (indeed, almost all of Asia) has gone from strength to strength. Economic development has not been perfectly smooth, but it has been sustained, and its tendency has been toward regional economic (and, surprisingly, political) integration.

In contrast, the United States spent much of the decade of the 2010s mired in political gridlock and fiscal and demographic crisis. A series of one-term presidencies failed to resolve deadlocks over Medicare, Social Security, campaign financing, the influence of lobbyists, and other vital issues. The failure of the United States government to face big tradeoffs and make critical decisions has not been lost on the countries of the developing world, many of which now see democracy as self-indulgent, inefficient, and, in general, increasingly an artifact of the past. There is a growing focus on Michael Porter-style national comparative advantage, competitiveness, and agility, and U.S.-style democracy is no longer perceived as a source of these types of advantages; it seems too slow and too sloppy for this fast-paced world.

This is not to say that there have not been major strides forward in Asia in such areas as rule of law, stamping out of the cruder forms of corruption, agreements to honor intellectual property, and the like, in this no longer new century. Still, the “Asian Way” contains a distinct component of subtlety that mystifies Western competitors, especially the “Anglo-Americans.” Some Westerners (usually those who have been beaten in the marketplace by Asians) complain that the “Asian Way” owes much of its success to bribery and corruption. Though there have been instances of such corruption, on the whole they have been frustratingly hard to prove for Western business.

And nothing succeeds like success; while their elders may grumble, to the current generation of global youth, Asian things – clothes, entertainment, food – are *bang* (Mandarin for the epitome of “cool”). Some of the popularity of Asian (and particularly Chinese) culture these days in Europe, Latin America, and elsewhere can be traced back to an old desire to hem in the previous superpower, the United States, with its then seemingly unstoppable tide of Hollywood movies, fast-food outlets, and hip clothing. This may be hard to remember now, when Asian movies sweep the Oscars and (with the aid of new near-perfect Asian instantaneous dubbing technologies) also draw record audiences even in America. And secularized forms of Buddhist and other Eastern religious practices (usually based on culturally neutral meditation techniques) have become ever more popular in the West, where people are seeking relief from an increasingly stressful existence and more limited economic prospects.

However, Asia, and still less China, cannot be said to represent “one world civilization.” China in fact has made a point to reach out strategically to other civilizations, not only in Asia, but also

⁴ E. Dyson, *Release 11.0* (weblog), July 10, 2010 entry.

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across the Pacific and Indian Oceans, and to Muslim countries. In fact, some would say the pivotal behind-the-scenes event of the 21st century was China's decision not to pursue either military parity with the United States or military dominance of Asia. Facing some unrest at home as the result of the 2016-17 recession, and apparently seeing that there was no possibility of catching up to America's military before demographic difficulties would hit (in about 2030) with the retirement of the pre-"One-Child Policy" generation, Chinese leadership made a strategic choice to invest in economic, rather than military, dominance. It tackled the regional security dilemma directly by proactively putting on the table a series of serious confidence-building measures in exchange for reciprocal steps by its neighbors. In the process, it assured both its neighbors and the United States (preoccupied anyway with anti-terrorism) that its intentions were peaceful. In particular, an unofficial pledge not to take Taiwan by force reassured the U.S. that it could lower its profile in the region.

A less altruistic interpretation of the Chinese policy change was that the Chinese Communist Party [CCP] saw that to ensure its own survival it would have to make certain that economic growth continued, and the only way to do that was to cede greater autonomy and power to business. In exchange for granting this power, however, senior CCP and People's Liberation Army [PLA] officials increasingly placed themselves in upper management or board positions in the corporations. In addition, the still nominally Communist Chinese government has fostered the development of Asian regional institutions, some say as a way to preserve and extend the life (and power) of the Party along different lines. Finally, the CCP bit the bullet and restructured the country's financial and State-Owned Enterprise [SOE] sectors in order to clear the decks for growth. The payoff was not instantaneous, but it was not long delayed.

The main mechanism by which increasing integration between Asian economies has been achieved has been the East Asian Summit [EAS]. Begun on an unpromising note in 2005, its turning point was when India and China decided that economic cooperation made more sense than military competition, and used the forum to cement their emerging partnership. Another milestone was the use of the EAS process to ease tensions between India and Pakistan through the 2010s, paving the way for a relationship between East and South Asia and the Muslim world that was far less fraught than that between Islam and the West.

The "Asian Way," then, has been characterized by interpenetration (some would say "collusion") between government and business and the avoidance of military confrontation. Another frequent characteristic of the approach is the deft use of intermediaries or third parties to accomplish sensitive or culturally challenging tasks. An example of the latter is the burgeoning economic integration between Asia and Latin America. Asian businesses have overcome some historic distrust of them by Latin Americans, as well as the geographic and cultural proximity of the United States, through their ability to speak for their governments when offering Latin countries expedited trade agreements. Asian business has undoubtedly benefited from historical Latin American distrust of the giant to the north. The Asian approach to business, in which personal contacts and family ties are paramount, also contrasts favorably with the American way for many Latin Americans. Many South Americans now claim to find *norteamericano* businesspeople brusque and impersonal and their government officials high-handed and insulting. (In turn, Latin

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America has come in for much criticism from the United States because of a perceived erosion of democracy in the region over the past two decades.)

The “Asian Way” is seen as agile and decisive, able to respond quickly and with great unity across all instruments of power, and able to make difficult choices when faced with critical tradeoffs. This is a great contrast with the “dysfunctional, fragmented, paralyzed” decision process of the U.S. The “Asian Way” is also seen as having a longer-term investment outlook, while the U.S. is held back by its short-term focus on next quarter’s earnings report and the next election. The “Asian Way” is said to be both more strategic and more agile than the short-sighted, self-indulgent, fractious West.

And it is undoubtedly true that Western (particularly U.S.) businesses have found the new Asian mega-corporations difficult to compete against. It is often unclear where they are getting their funding, how they can consistently under-price the competition, and how they are able to close deals that used to be “naturals” for traditional multinational corporations. Private equity is now far more common in Asia than in the West, and although the transparency of Asian corporations is much improved from the early 2000s, it is still less than many Westerners demand. Some economists (most of them Western) believe that Asia’s growth is suboptimal because its transparency is not quite up to Western standards. Other economists (many of them, coincidentally, Asian game theorists) believe that the remaining “transparency gap” gives Asian business a competitive advantage over its Western rivals, and insist that it is Western firms whose transparency is, as they say, “super-optimal” and detrimental to their competitiveness. At any rate, although some scandals have occurred as Asian mega-businesses have exploded on the world, the rate of corruption is not provably greater than that among Western businesses.

On the one hand, the emergence of Asia as a global power center confirms one aspect of Fukuyama’s thesis about the “end of history.” As far back as that original article in 1989, he had discerned a movement within China toward a non-military mode of interaction with the rest of the world:

Chinese competitiveness and expansionism on the world scene have virtually disappeared: Beijing no longer sponsors Maoist insurgencies or tries to cultivate influence in distant African countries as it did in the 1960s. This is not to say that there are not troublesome aspects to contemporary Chinese foreign policy, such as the reckless sale of ballistic missile technology in the Middle East; and the PRC continues to manifest traditional great power behavior in its sponsorship of the Khmer Rouge against Vietnam. But the former is explained by commercial motives and the latter is a vestige of earlier ideologically based rivalries. The new China far more resembles Gaullist France than pre-World War I Germany.⁵

Yet on the major point of his thesis, Fukuyama has yet to be proved correct. China is not a “democracy” in any sense of the word that could pass muster. It is a more transparent society in many ways; it has a mass consumer culture; far more Westerners are familiar with it; and far more Chinese travel abroad (though post-9/11 restrictions on visas to the United States have made

⁵ Fukuyama, “The End of History?” *The National Interest*, Summer 1989.

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travel there less convenient). Although India's status as "the world's largest democracy" has been maintained, its economic success (lagging China's a bit, but still quite impressive) is widely said to have come despite rather than because of its political openness. And the "democracies" of the rest of Asia are not demonstrably freer or more open politically than they were at the turn of the century – in some cases notably less so. Economic advance has been the priority in Asia, and where it has conflicted with greater political freedom, economics has been the priority. On democracy it has been Huntington (or perhaps Lee Kuan Yew), and not Fukuyama, who has proved more prescient.

The Decline of the West (2013-2025)

The contrast to the performance of the Western democratic countries is marked. The three points of the old trilateral compass, the U.S., Europe, and Japan, all hit a demographic wall in the mid-2010s, with varying levels of damage to their economies and societies. Huntington's contention that

[T]he balance of power among civilizations is shifting: the West is declining in relative influence; Asian civilizations are expanding their economic, military, and political strength

was, with the exception of the reference to Asian "military" strength, quite prescient.

But there are particular factors that accelerated what now appears to have been an inevitable relative "Decline of the West," to use Spengler's century-old terminology. The massive demographic imbalances faced by Europe and the United States assured them some degree of painful economic dislocation. But a lack of constant and steady leadership, particularly in the United States from 2015 onward, also condemned them to a steeper and more rapid decline than might otherwise have been the case.

The determination of the United States to maintain military supremacy, even at the cost of vital economic infrastructure and at a time of massive retirement of the "Baby Boomers," exacerbated the economic effects. The near-miss in 2015 when a splinter Islamic group based in Africa attempted to bring a biological weapon across the Canadian border, using a speedboat to cross the Great Lakes, caused a tremendous bout of additional deficit spending in order to harden borders, coast, and ports (air and sea). The added expense of coming up with the technological fixes needed to seal the borders was not the only cost of that particular policy: the difficulty faced by foreign businesses and businesspeople, not to mention students and tourists, in entering the country was an added alienating factor.

The United States since that time has been increasingly seen as a paranoid, self-absorbed bully. Or perhaps worse, a bully that was losing its edge. Its continued spending on security technology even as its economy was suffering through recurrent recessions was seen by Europeans and Asians as irrational. Nevertheless, the U.S. stubbornly went its own way, even as a major American automaker went belly-up in 2014, its remains picked over by Asian competitors, almost

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all its workforce suddenly unemployed. By 2020, despite the scoffing of allies and enemies, the U.S. deployed an extensive, technologically advanced security system for its borders, coasts, and ports of entry. The country has not been attacked successfully since. Others might dispute the wisdom of this investment, which had the inevitable effect of isolating the U.S. economy somewhat from the boom across the Pacific. But to the vast majority of Americans, regardless of party or persuasion, it was a triumph of American ingenuity over a seemingly intractable problem, and to this day they feel more secure because of it, despite a troubling recent increase in successful “hacks” of the border by criminal elements.

Despite this perceived triumph, the jarring effects of a series of recessions and one-term presidencies on policy caused the general direction of U.S. international involvement to turn toward isolationism. The withdrawal from Iraq and Afghanistan after a semblance of order had been established was followed by the 2017 negotiation of a solution to the North Korean nuclear threat by an almost all-Asian EAS/UN delegation, with only peripheral U.S. involvement. When the WTO round in 2018 was dominated by Asian countries that had clearly come to the negotiations well coordinated and well prepared, it was clear which region was taking the global strategic initiative.

The historical insistence of the United States on going its own unilateral way in many aspects of international affairs undercut its ability to complain about the far greater pollution that accompanied Asian development. True, many of the cutting-edge technologies that are ameliorating the worst environmental effects of that development are now coming out of Asia, but many see these as window-dressing to cover up the depredations of Asian corporations that are increasingly calling the tune with respect to international regulation of business. Although global warming is now seen as undeniable by almost everyone, its effects have not been so great as to create global consensus on collective action. The world still runs on petroleum (increasingly Persian Gulf-sourced petroleum), even if it occasionally spikes to \$80 a barrel, and even as the Arctic icepack dwindles toward merely seasonal status and rates of respiratory disease have increased markedly in the U.S. This is due to increased Asian pollution, many say.

High oil prices are just one aspect of a gigantic global scramble for resources that has not helped to make things easier for the aged West. Asian companies have appeared wherever vital raw materials can be found, bidding up prices and securing supply agreements that make things more difficult for Western competitors and countries. Complaints to Asian governments are received politely, but favorable resolutions are usually difficult to achieve until far too late. “After all,” the governments will tell the West, “did you or did you not want us to become capitalist, keep our governments out of business, and pursue globalization?” Africa in particular has suffered from straightforward exploitation by Asian corporations, but Central Asia and other ungoverned spaces are also sites where isolated well-armed camps of Asian extractors can be found.

The American people, after 15 years without even an attempted major terrorist attack, no longer list “terrorism” as one of their top concerns. But fiscal and economic dislocation and what some have dubbed “the end of American exceptionalism” have taken their toll. The federal government seems impotent in the face of a crying need to make tough decisions. The vacuum has been filled

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somewhat by state and local governments, which have taken an increasingly brazen approach to cutting their own trade deals with Asian nations, cities, and corporations. American corporations have also filled part of the void left by the U.S. federal government; in many cases these corporations are suspected to be fronts for Asian interests. Many of the most profitable U.S. businesses have, in fact, moved many operations and, in some cases, even management functions, to Asia.

But the U.S. has paid a price for assuming that the old rules, according to which a nation's strength was mainly in its military, and in which a military hegemon could demand open markets, financial transparency, and democratic institutions, still applied. America has yet to find its footing against a rival that refuses to play the traditional game of big power geopolitics, and who exploits America's own advocacy of "globalization" and economic integration to better its own power position against a nation it could never hope to confront head-on in any sort of military showdown.

The rising Asian powers, from the Indian subcontinent through Indonesia and Indochina to China, were quietly playing a new game: courting countries used to being scolded; asking less and delivering more, sooner; paying attention to the personal – all notable contrasts to the general perception of the American approach. These Asian powers were able to bring multiple instruments of power (public and private sector) seamlessly together in offering deals to other countries.

While the Muslim world has indeed exploded demographically, as Huntington predicted, the impact of this development has been tempered by consistently high petroleum prices, the waning of the U.S. as a hegemon, and, last but not least, by the 2016 establishment of a Palestinian state, on the basis of compensation for displaced Palestinian families and their descendants, and on the condition that all Middle Eastern Muslim states agreed to Israel's right to exist. (Some say this was the last gasp of the traditional American commitment to and involvement in the region; others say that it was only the obviously imminent withdrawal of the United States from the region that finally focused the minds of the parties and forced a deal.) The uneasy peace between Israel and its neighbors has held despite occasional saber-rattling by its erstwhile enemies.

The Muslim world feels far less paranoia about the intentions of the United States today than it did 20 years ago, although residual resentment of the U.S. remains. With an exploding Asia providing a similar balancing role to that of the old Soviet Union (with the difference that Asia's usefulness as a partner was not limited to the provision of second-rate military materiel, but also extended to development assistance and trade pacts), the United States could no longer threaten to isolate any country that caused it problems. Europe has also played a part in facilitating the growth of Muslim economies. After the Iraq War experience and the bombings in Europe that followed, continental Europeans were less likely than before to hold a hard line along with the United States against Islamic countries that refused to accede to "Anglo-American" demands. The acceptance of Turkey into the EU was a sign to many that they saw the future as being Eastern rather than Western; their tolerance of a by now far-from-democratic Russia, in exchange for steady natural gas supplies, pulled them farther from the Atlantic orbit.

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Iran has not developed nuclear weapons, though by all accounts they are close to being able to do so, and there is the clear sense that China could surreptitiously supply them with the missing pieces. On the positive side, there has been a moderation of the rhetoric emanating from Teheran, and it has accepted the right of Israel to exist as part of the Palestine settlement. Asian deals for preferred access to Iranian and Central Asian oil, which might once have provoked a harsh response from the U.S., were met with statements of concern and little more by an administration that had to deal with an electorate that was increasingly concerned with matters closer to home, such as the fiscal problems caused by the retirement of the Baby Boomers, an increasingly decaying physical infrastructure, and paying off the cost of its elaborate anti-terror security systems.

Because of Iran's apparent moderation, and because Pakistan, after some brinkmanship with India, has actually become a key guarantor of stability in the Muslim world due to its recognition of its reliance on trade with India and other Asian countries, it is difficult to maintain that Huntington's prediction of the destabilizing effect of Muslim countries on their neighbors was accurate.

As for non-western civilizations reaffirming the value of their own cultures, this has certainly been true. But the "Asian Way" of business, culture, and geopolitics is having a sort of "melting pot" effect on all its beneficiaries, by giving them an allegiance that brings them in from the cold of the "rogue state" or "autocratic regime" labels. The money flowing out of the East also helps to defuse demographic pressures and to paper over the differences between potentially hostile cultures. Asia itself has become an increasingly integrated market, with multi-country passports issued by EAS to facilitate business.

The rise of Asia, and relative decline of the West, was dramatized further in 2023, when the headquarters of the United Nations was shifted – "temporarily" – to Singapore, due to infrastructure problems at the New York headquarters building. Few believe that the UN will move back to the West anytime soon. The move came about two and a half years into the term of the first non-Republican, non-Democratic president since Millard Fillmore. The American electorate was looking for a solution to the increasingly bitter partisan stalemate in Washington; instead, the result was total legislative gridlock, along with an accentuation of the isolationist trend in foreign affairs and a further discrediting of the democratic ideals the U.S. still espoused for the rest of the world.

Worse, violent crime has been rising in the United States, and illicit drug use among an "underutilized" population has soared, with cocaine and marijuana once again piercing the technologically enhanced border with the help of "cyber-mule" hackers. There is a sort of nihilism abroad in the land, and a feeling that the country is back in the 1970s, the last time drugs, violence, and economic uncertainty shook America's confidence.

By 2025, there could be no more doubt as to the dominant characteristic of "the Post-Cold War Era." It was a massive increase in the economic and political power of Asia, at the expense of American power. Many Americans now look to the distant past, when "we were a great country."

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It has now been almost a lifetime, after all, since an American last walked on the moon. Imagine, they say, if 58 years after Lindbergh, no other American had flown across the Atlantic.

2025-2030: Continuation, or Turning Point?

By the time American voters had returned the White House to one of the established parties in 2024 (the first president re-elected, in 2028, in 24 years), the ascendancy of Asia was an accepted fact. Many Americans had benefited from this development, not least economically – the economists were not entirely wrong about comparative advantage and non-zero-sum games. Despite pressure from voters, no president had instituted protectionist policies that might have isolated and damaged the American economy even further. But the result was a middle class under intense pressure, with the U.S. splitting ever more obviously into a nation of “haves” and “have-nots.” Ironically, worldwide, due to the massive uplift of Asia, the rest of the world is going in the opposite direction, with a mass middle class forming and gaps between poor and rich narrowing, with the exception of places such as sub-Saharan Africa.

In 2024, Singapore had announced the first cloning of human organs, underlining the feeling that technological superiority was no longer the province of either the United States or the West. After a decade of fiscal problems during which some states were technically bankrupted by the increasing demands for services by aging and underemployed citizens, some cities and states in the 2020s began to take matters into their own hands. It is now an open secret that California has negotiated a three-way trade pact with the EAS and West Coast Canadian interests, seemingly in violation of the Commerce Clause of the Constitution. Congress and the courts have been loath to look too closely into such matters when to do so would destroy jobs (and votes). And it is easy enough for states to camouflage such deals as nothing more than a slight extension of time-honored attempts to woo foreign business via tax incentives and the like. American states and municipalities that are positioned to benefit from trade with Asia (particularly West Coast states and some of the East Coast ports) have seen markedly higher economic growth rates than their less fortunate brethren. U.S. physical infrastructure that is critical to the profitmaking potential of Asian corporations receives constant investment and attention; infrastructure elsewhere in America is falling apart.

In 2030, however, there is cause for concern on the part of both the West and Asia. The “Asian Miracle” is showing signs of age, with growth rates coming down from the heady double-digit heights of 2015-2025. Some Western economists attributed this drop-off to the continued “transparency gap” between the West and Asia, and predicted a resurgence of the West vis-à-vis the East. (Supporting this contention was a sudden boom in the previously lagging Western stock exchanges, which all along had been a favored investment target for rich Asians who valued their more secure regulatory environment and transparency.) Other economists simply attributed the Asian cool-down to the natural maturation of developing economies as they attained the first rank.

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Western political scientists, however, point to another “gap” between East and West: the “democracy gap.” There is some evidence of dissatisfaction among the newly affluent classes in China and other less-than-democratic Asian countries, for those who wish to find it. This dissatisfaction for the most part falls well short of any sort of revolutionary level as of 2030, but it is there.

Demographers also point out the fact that China is about to get a taste of what has ailed the West and Japan for the past decade: the mass retirement of a large part of their work force. Many analysts feel that China’s assiduous efforts toward integrating the Asian market and easing tensions with its neighbors were the result of their fear that otherwise they would have been the object of the sort of geopolitical and economic containment and isolation strategy that would have exacerbated the effects of this demographic “cliff-edge.” Most believe that China’s new (and jarring to some Chinese) open-door policy toward the importation of workers from other Asian countries will ease the impact of the retirements of their own “baby boomers,” though not without some serious ethnic tensions.

Of more concern to the West was the 2028 formation of the East Asian Security Organization [EASO], which is the first concrete evidence that the rising power of Asia might be expressed in other than economic and diplomatic terms. The two major signatories to this pact, China and India, have insisted that it is merely a formal recognition of the increasing regional cooperation on security that began in 2016, when China and India agreed to joint patrols of critical sea lanes. The nearly moribund NATO has received at least a temporary reprieve from oblivion thanks to this development. But Europe remains somewhat in the middle, making good money “playing both sides,” even selling weapons to some Asian countries.

These late developments cannot obscure what has undeniably been the outstanding feature of what is now almost never called “the Post-Cold War Era”: the rise of Asian economic and political power. Asian countries, and China in particular, have found a way to counter the unassailable military supremacy of the West, and the United States in particular, by playing on what they see as the larger playing field of economics and trade – a “Pacific” strategy indeed.

More painfully for America and the West, events have raised serious questions in many quarters about Fukuyama’s basic premise that the ultimate “end of history” (in both a directional and a teleological sense) was going to be universal democracy on the “Western liberal” model. The 21st century has not been kind to the adherents to Fukuyama’s thesis. Western liberal democracies have stumbled badly in facing the challenges of the new millennium. Whether this is merely a temporary setback for democracy, or a terminal illness, is yet to be determined. The spate of pessimistic news analysis stories in the wake of the 250th anniversary of American independence – “Is Democracy Obsolete?” was representative of the soul-searching genre – reflected real doubt on the part of the generation that approached the new century on a high of “dot-com” ebullience about the future. The persistent lack of consensus in America on such seemingly cut-and-dried issues as whether the Iraq and Afghanistan ventures were worthwhile and successful, two decades after withdrawal, are a symptom of the malady besetting American democracy.

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On the other hand, many aspects of Huntington’s darker vision of the future have simply not come to pass. There is certainly conflict in the world of 2030, and there are still distinct civilizations. But the sort of direct existential challenge to Western liberal democracy that he foresaw is notably absent a quarter-century into the new millennium. If any existential challenge to the West exists, it is a far less direct, less immediate challenge, and it is mainly economic in nature.

Some of Huntington’s deepest concerns – particularly his concern that “American civilization” was in danger of being destroyed by an influx of immigrants that would resist integration into U.S. society – have not only not happened; something like the opposite has occurred. If America has suffered less than Europe or Japan from its demographic crisis, it has been because of its relatively greater capacity for integrating newcomers. And ironically, it has been the very insistence by Americans on “reaffirming their Western [specifically, Anglo-American legal-economic] identity” that has caused America, and the West in general, to lose its place as the center of gravity of the economic and, increasingly, the geopolitical world.

So which intellectual was “right” about the direction of history, Fukuyama or Huntington?
So far, neither.

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Asian Way**Characteristics Matrix****Scenario Chronology**

- 2013: World Expo in Shanghai demonstrates economic prowess of Asian model. Annual East Asian Summit (EAS) gains power and influence, integrating Asian economies, with Chinese Communist Party (CCP) a prime mover.
- 2015: African Islamic radical group nearly succeeds in getting WMD (biological agent) across the Great Lakes into the U.S. U.S. government begins a “Manhattan Project”-style effort to seal borders from illegal entry via advanced technology.
- 2016-7: After a recession, CCP cedes more freedom of action to (often CCP-connected) business, restructures financial sector and state-owned industries, and gives up effort to match U.S. military power. Also, it starts confidence-building measures with neighbors; India-China Summit leads to détente, agreement for joint sea-lane patrols.
- 2016: Palestinian state is established, with acceptance of Israel’s right to exist by Muslim Middle Eastern states and payment of compensation to Palestinians. U.S. involvement in the region begins long-term drawdown.
- 2017: EAS-led UN delegation convinces North Korea to end nuclear program and agree on reunification timetable in return for aid. U.S. is peripheral to the solution.
- 2018: Asia dominates WTO session. China and Taiwan send a joint delegation to the session. A Chinese-brokered deal on Kashmir leads to normalization of India-Pakistan relations and expanded trade.
- 2020: U.S. deploys technically advanced border and coastal security system.
- 2020: Populist and isolationist third-party president is elected in the U.S.; further pullback of U.S. overseas presence.
- 2020s: Fiscal crisis in the U.S. Some state governments run out of funds; taxes rise and public services are disrupted. Poverty increases and infrastructure is crumbling wherever it is not vital to Asian corporate interests.
- 2023: UN HQ moves to Singapore “temporarily” (NYC facility crumbling).
- 2024: Third-party president is defeated after one term (the fourth consecutive one-term president).
- 2028: East Asia Security Organization (EASO) is created; includes almost all East and South Asian nations, and excludes the U.S.

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Asian Way**Global Drivers****Level of Stability and Conflict in the World**

Though there is a far lower threat of conventional (or nuclear) great-power conflict, in some areas irregular and/or disruptive conflict does exist. Corporate profit, for the most part, determines where and when the global community agrees on solutions to conflict.

Many ungoverned spaces (land, sea and air) – outside the sphere of the old developed world plus the new Asian boom economies – are exploited by the new mega-corporations. Africa remains in crisis; Central Asia is a combination of oil states and drug markets; parts of Latin America are backsliding into poverty, inequality and autocratic rule; profit determines where and when development takes place. Civil, tribal, ethnic, anti-corporate, and religious conflicts exist wherever governments don't exercise authority or corporations don't perceive an economic benefit.

Within ungoverned spaces there are land, sea and air security bubbles around locations of large corporations (resource extraction sites, critical infrastructure sites, manufacturing locations), and near-chaos can occur outside those bubbles. Corporate paramilitary organizations (including mercenary organizations or private security firms) provide on-site security where needed. There is concern on the part of the United States as to whether the corporate mercenaries may be pursuing hidden agendas that might be against the interests of the United States, but the generally isolationist mood of the U.S., the fact that American business interests are often tied up in the success of Asian projects, and the fact that Asian countries are careful never to do anything that might provoke an American military response prevent the concern from rising to the level of action.

Large corporations have a presence wherever they can make a profit or need the resources.

Global Security & Geopolitics*Distribution of military power*

There is no real immediate threat of major power war, primarily because Asian nations have decided to solve their "security dilemma" through confidence-building measures and by spending on economic development and forsaking any ideas of regional dominance. No attempt is made to match the U.S. in military terms.

After the 2015 attempted WMD attack (by a splinter group of African Islamists), the U.S. develops a (supposedly) effective border and coastal security system. The cost was so high, however, that government spending on other programs has had to be reduced. A complete lack of attacks on America between 2015 and 2030

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leads to a sense of security in the American public.

As part of a general global military and political disengagement, the U.S. completed its withdrawal from Iraq and Afghanistan. The U.S. is still the unquestioned dominant military power in the world; it still has “a stick.” However, it is expensive to use and the results are often questionable, and few forces are forward deployed. The U.S. is investing in the Navy, however.

Global alliance structures (NATO, others)

The East Asia Summit (EAS), among other Asian-centered supranational groups, exerts an increasingly powerful influence in global affairs. The United States is excluded from these Asian bodies, and it appears that part of their purpose is to contain U.S. power.

Given the Asian choice not to compete head-on with U.S. military supremacy, there was no huge military threat and therefore not a large need for NATO over the past two decades. But NATO is considered newly relevant as a result of the emergence of the East Asia Security Organization (EASO) in 2028.

Alliance structures do not play a large role but are used to maintain the necessary “bubble areas” for (mostly Asian) corporations. Defense treaties mainly support economic interests of members, which in turn are determined by corporate interests.

Since they are completely outside normal alliances and state control, governments have cause to watch the growth of private security forces/para-military forces in ungoverned areas so that they don’t grow to a level that could disrupt larger objectives. There is increasing ambiguity as to whether security forces are operating for a particular nation, or for a corporation based in that nation.

WMD (proliferation, use, cooperation on, perceived threat from)

There was an attempted biohazard attack on the U.S. in 2015, but by 2030 the U.S. and Europe are not seen as seriously threatened. “Generation Four” nuclear power plants reduce proliferation concerns. 2015 was the last (attempted) WMD event in the time frame.

Asian corporations use ‘creative’ (and sometimes extra-legal) approaches to remove known WMD threats within their spheres of influence. Asian ports adopt U.S. border security systems. Lingering concerns remain that terrorists and WMDs may be lurking in ungoverned areas.

The nuclear non-proliferation treaty, while never rescinded, has little impact on

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national decision-making.

Comparative military expenditures/ 'security dilemma'

U.S. military expenditures have finally decreased by 2030, though its conventional military dominance is still unquestioned. The focus is on homeland defense – e.g., high-end sensor technology. The intra-Asian security dilemma – the vicious cycle of escalating competitive arms investments on the part of Asian nations – is in abeyance due to significant confidence-building measures and a general feeling they are better off spending scarce resources on economic development.

Corporations are funding para-military operations in countries around the world (as long as corporate interests are in those countries). However, there is a significant amount of ambiguity about who really calls the shots – is it a nation, a corporation, or somebody behind the scenes? For example, what does an observer make of the fact that an active duty People’s Liberation Army Colonel is “temporarily” in command of the Sony-Tata security forces in Mozambique?

Willingness for collective action

Willingness for collective action is driven by corporate needs expressed through the EASO and/or UN – corporations are influencing the government; Asian governments are members of the EASO/UN. There is very little willingness for global collective action, outside of maintaining market stability. Profit determines whether anything is done – e.g., although the environment is getting worse, it is not yet profitable to take a global approach to cleaning it up.

National Defense Strategy threats and challenges

These are threats to the general global well being, not just threats targeted at the U.S.

Traditional Decreasing – in both likelihood and consequences (fewer capital ships)

Irregular Increasing – in both likelihood and consequences (more littoral resources for the Navy; Army and Marines “hurting” for roles and resources)

Catastrophic Decreasing – in likelihood, with increasing consequences (permanently alters the rules of the game)

Disruptive Exists – increase in likelihood and decrease in consequences

Note: Reliance on direct conflict is a last resort of the meaningful actors in this world, which are the corporations.

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TRANSCOM becomes the Transportation Command for the entire U.S. Government.

Definitions of the threat types above:

- *Traditional* – Traditional challenges posed by states employing legacy and advanced military forces in long-established, well-known forms of military competition and conflict.
- *Irregular* – Irregular challenges from the adoption or employment by non-state and state actors to counter stronger state opponents – terrorism, insurgency, civil war, etc.
- *Catastrophic* – Catastrophic challenges including the surreptitious acquisition, possession, and possible terrorist or rogue employment of WMD or methods producing WMD-like effects.
- *Disruptive* – Disruptive future challenges emanating from competitors developing, possessing, and employing breakthrough technological capabilities intended to supplant our advantages in particular operational domains.

Multilateralism

Multilateral action is taken when it meets the needs of (mostly Asian) economic interests. The United States finds itself the object of multilateral “coalitions of the unwilling” designed to contain it, in political, military, trade, and other arenas. The U.S. is also excluded from some key venues and negotiations, and often for reasons that are not clear to the U.S.

*Intelligence/
counterintelligence
(technology, sharing)*

Corporations invest considerably in intelligence and counterintelligence functions. Corporate intelligence priorities include national government activities, other corporations, technology, R&D, and market analysis. Asian and European intelligence services support their corporations, and no cultural barrier to doing so exists. Intellectual property (IP) is protected now because Asia is now a leading creator of IP.

There is enough intelligence cooperation among nations, ports, and shippers to significantly strengthen the security of the global supply chain.

The U.S. has the lead in national technical intelligence systems, and has established an elaborate and effective anti-terrorist surveillance system. The U.S. national priorities for intelligence include China, space, and mega-corporations (especially those operating in Latin America or those employing particularly large or effective paramilitary forces) and more recently on emerging drug-trafficking

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and illegal immigration “hackers.” As a further complexity, some of the mega-corporations’ ownership structures include companies originally considered American or based in the U.S.

There was little pushback by the public in the United States on civil liberties after the 2015 attempted terror attack, but after 15 years without a terrorist incident, concern for civil liberties has begun to manifest itself.

World Economic System

Levels of stability and dynamism

Overall the global economy is highly dynamic, driven by Asian interests, and appears at the moment to be relatively stable. Many U.S. and European observers believe the stability to be temporary, owing to the lack of transparency and overly exploitative corporate behavior.

Asian-style business syndicates dominate; the relatively few U.S. businesses that adopt that style do well. Businesses appear to care more for critical employees and provide them more social services, to attract the best talent.

U.S. observers would complain that the Asian economic structure is suboptimal due to lack of transparency, and growth is based on massive middle class growth in income and numbers, not an inherently superior economic model – “you are lucky, not better.”

Ironically, the U.S. democratic system seems to be a competitive disadvantage, yet large inefficiencies in the Asian model are possibly being covered up by their growth from a low base and their sheer market size.

The ‘Asian’ model is caricatured as ‘private equity’ or ‘Shanghai/Singapore capitalism’ as opposed to ‘public capitalism’. Nevertheless, transparency in Asian businesses is much improved from the early 2000s.

Reserve currencies

World reserve currencies are made up of a basket of currencies, including the yen, yuan, euro, and dollar.

International financial institutions

IFIs (World Bank, IMF, regional banks) are less prominent and less powerful in 2030 than they were in the early 2000s. They act more behind the scenes than in 2006; many decisions are made out of sight, seemingly in collaboration with major Asian corporations and governments. IFIs are accused of being co-opted by Asian corporations.

The annual gathering of ministries of finance and CEOs is increasingly a forum for

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increased Asian influence. A European/American virtual NGO alliance develops to clean up the environment (but its effectiveness is limited without Asian support and U.S. government involvement).

*Dominant players,
regions, centers of
innovation*

The U.S. is not leading the global economy; Asia is.

Labor unions are much diminished; loyalty to your corporation is expected.

Corporations drive the necessary economic alliances. More and more companies are going private to avoid open scrutiny. Two sets of books are standard.

Government is more intertwined with corporations in Asia than in the West; many Asian government figures are acting behind the scenes and in close collaboration with the private sector. Governments pass those rules and regulations that benefit the large corporations and economic growth.

Private equity is extremely important and an influential source of investments. Asian clans and regional governments pool their resources and create private funds – controlled often by “connected” people – that invest heavily in other private enterprises.

Public stock exchanges stagnate worldwide for much of the period – they’re for the uninformed suckers. But by 2025, the transparency and rule of law of the Western markets are seen, once again, as virtues by many risk-averse investors.

Regional free-trade zones thrive, especially within Asia.

There are a variety of comparative advantages in trade across the world economy, causing manufacturing and services to shift rapidly, usually to the advantage of the new Asian powers; Asians are negotiating various trade agreements, especially for natural resources (energy in particular).

Major sectors include: extractive industries (energy, raw materials); finance; manufacturing; electronics; IT; biomechanics/health/gerontological areas; and construction.

The world sees an explosion of Asian mega-cities that compete with one another for the most impressive large-scale projects – mass transit, airports, housing, etc. A dozen Shanghais, all in full gear, flourish all across Asia.

Much pressure is put on resources, the environment and “the commons” –

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geographic areas that no one nation “owns” – e.g., Antarctica, ocean commons, and areas of the Arctic beyond national jurisdiction.

Role/structure of transnational business and business organizations

Pan-Asian corporate conglomerates and business cartels dominate global business decision making.

The business world thrives on continual, intense behind-the-scenes negotiations where relationships are very important.

Business transactions and processes are not so transparent as during the age of Western dominance, which has some disadvantages. Many deals are cut quietly behind the scenes. But Asia is more transparent than it was in the early 2000s.

Much audit/financial data is unavailable publicly. Two-book accounting is standard.

Growth in Asian economies is not perfectly smooth, but it is persistent, only tailing off a bit at 2030.

Corporate titans can “hold guns to the heads of governments” – but often they do not have to, since they WERE in government. Power is not simply uni-dimensional - it is a complex result of friendships, networks, favors owed, previous positions, and future aspirations. Corporate lobbying of government is a thing of the past – in fact, aside from public interest group lobbying, much lobbying that is done consists of governments “lobbying” large corporations (lobbyist through the looking glass).

European businesses are a bit more compatible than U.S. counterparts with the Asian model, but their societal demographics are worse than in the U.S., so they are lagging Asian corporations somewhat, along with the U.S.

Dynamics of international debt

Asian and European countries successfully pressure the U.S. to put their fiscal house in order, but do not dump their dollar holdings, as that would harm them even more than holding on to them would. The U.S. responds, albeit slowly, and has improved fiscal status by end stage, at the cost of decaying infrastructure.

There is much private funding of international debt. The World Bank is now led by a Singaporean banker.

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Unemployment/ social fabric

Social services in the Asian model focus on subsidizing prices of basic goods (food, fuel, etc.), which are ‘buried costs’, rather than entitlements. Businesses provide many goods and services as part of employees’ compensation.

Business ethics reflect Asian more than Western traditional values.

Unemployment is high in isolated sectors of the U.S., but less serious in sectors well-connected to Asian business. California and the western region of the U.S. fares better by assimilating more to the Asian culture and business practices. The U.S. social fabric is fraying, and there is much talk of ‘Two Americas’.

Chinese and Indian (and other Asian) diasporas smooth the way for Asian global expansion.

Global interest in Asian religions and cultures fuels rise in Asian Studies, but also contributes to an anti-Asian backlash among the economically disenfranchised.

Globalization

Globalization took a hit when the U.S. made importing more difficult after the terrorist attempt, shifting the center of gravity of globalization from the U.S. to Asia. Americanization was the face of the first round of globalization, and ‘Asianization’ is the face of the current round of globalization. There is less emphasis on the individual, public markets, and transparency than during the ‘Washington Consensus’ period of the 1990s. The new environment is possibly less innovative and less inclusive than a truly open market approach. Outlying regions (portions of Africa, Central Asia, Latin America) are more resentful at their exclusion.

International Trade

A Darwinian international trading environment exists. Trade competition is intense, but decidedly not level. Some cartels and trading groups cut private deals and agree on standards and norms. Rumors of bribes and kickbacks abound, but are mostly unfounded. However, regions lacking either good markets or needed resources are left out and fall behind. The U.S. is using more trade barriers to protect key interests, but is not going full-out for protectionism. The Asian-American Political Action Committee (AAPAC) lobbies strongly against protectionism in Washington.

Asia becomes the center of maritime logistics and technology excellence.

Trade arrangements no longer contain most-favored-nation clauses, but rather contain most-favored-corporation clauses.

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Regional free-trade zones thrive, especially within Asia, but also in Latin America and the EU.

There are a variety of comparative advantages in trade across the world economy, causing manufacturing and services to shift rapidly, usually to the advantage of the new Asian powers; Asians are negotiating various trade agreements, especially for natural resources (energy in particular).

The annual gathering of ministries of finance and CEOs is increasingly a forum for increased Asian influence. A European/American virtual NGO alliance develops to clean up the environment (but its effectiveness is limited without Asian support and U.S. government involvement).

**Governance/
Quality of
Governance**

Predominant ideology

The Asian Way dominates. The leading (but not universal) worldview is drawn from Asia more than from the U.S., especially the Asian business model. Democracy is seen as on the ropes. Moderate authoritarianism (à la Lee Kuan Yew) is widely seen as the new model for societal well being.

Multiple claims are made on each person’s loyalties, not only on the nation-state, but also corporations, regions, etc.

A secular commercial ethos in Asia – get rich and enjoy it – spreads out of the region, yet there is also a concern for remaining part of the community, as well as an ability to work with alien cultures without demanding conformity. This coexists with traditional values of allegiance to family, friends, and community.

Asian diplomats and corporations are not in the business of proselytizing, so they are more welcome than previous American globalizers. This policy of non-interference, together with the general rise in global wealth, serves to diminish any potential cultural conflicts.

*Role/influence of
non-governmental/
supra-governmental
organizations,
e.g., UN, regional
political blocs, I/Os,
private NGOs*

The United Nations still exists (although now located in Singapore), but its security-related functions have diminished significantly in importance. Separate international organizations and those parts of the UN system that contribute to global economic growth (such as WHO, IMO, WTO), have risen in importance to the extent that Asian countries and corporations can manipulate international organizations’ agendas to support Asian economic interests. Consensus seeking is important. The U.S. role is diminished. There is little action on pressing issues such as the environment that might get in the way of profit-making.

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Asian corporations acting behind the scenes through NGO/supra-governmental institutions are driving events. Private NGOs are constantly protesting the “amoral” domination of business over government and the subjugation of human rights, development, etc. to secondary level of importance. There is a high level of mobility for senior executives moving between companies, government offices, and international organizations (IOs).

Presence/absence of an architecture for global issues management

There is a lack of true global issues management. To the extent that such “issues management” would interfere with profit, it is deliberately impeded by powerful Asian business interests. There is far more global issues *response* than global issues management.

The East Asian Summit was the main organization coordinating Asian regional participation in global affairs through 2008. Now the East Asian Security Organization coordinates much of the ‘Asian’ participation in global events and carries great weight in such deliberations. Large corporations and private interests also heavily influence government decisions behind the scenes. Efficacy of maritime governance regimes (e.g., UNCLOS) has been substantially diluted with respect to preservation of the commons, as corporate interests trump protection of the global commons. But aspects of UNCLOS that support corporate agendas, e.g. guarantees of freedom of shipping/commerce, are well-enforced. Major IOs – UN, WHO, IMF, etc. – remain, but are substantially influenced by heavy private sector involvement in them.

The ‘architecture’ of issue management is informal, fluid, and behind the scenes, where corporate interests are concerned. When issues are against corporate interests, the process is encumbered by bureaucracy, inefficiency, and inaction.

Law enforcement is still a national authority, but significant ambiguities exist as private security firms exercise de facto enforcement authority overseas/in ungoverned spaces. Ambiguities also exist concerning delegation of authorities by governments to private security firms to act on the government’s behalf.

*Failed states/
Balkanization/
ungoverned spaces/
mutual separation*

There are large ‘ungoverned spaces’ of failed or vulnerable states in regions of little economic interest (e.g., Central Asia, Africa, Central America, and the Caribbean) that are being left behind and mostly ignored. Transnational criminals hide themselves here. There is a growing intermediary sector that acts as an interface between licit and illicit business activities (drugs, arms trade, and money-laundering are all big business). Then there are states that have not quite failed,

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but which are undemocratic and ‘wide open for business’, such as Russia.

Non-traditional actors – new forms of influence, new affinity associations

Large corporations, syndicates (some of murky ethics), and private equity groups have considerable undisclosed influence, especially financial. EAS and EASO are significant voices in global affairs. Asian corporate groups’ *keiretsu*⁶-like influence extends into the U.S. and other countries’ economies and political processes.

In the U.S., for example, such influence might come from Asian-corporate subsidies offered to U.S. cities, states, or other authorities, in return for preferential treatment.

Borders: nature and permeability

Many national borders, largely those in the Eastern Hemisphere, have less legal importance; freedom of movement among participants in the Asian corporate world is much easier, but also more carefully monitored. Borders are more permeable for legitimate trade and travel. There is intense pressure from Latin America to enter into the U.S. Crossing the U.S. border does require rigorous inspections, which technology has made somewhat less intrusive. Asian nations use advanced technology to monitor borders, but also to facilitate business and collect commercial (and personal) information.

After the 2015 attempted terrorist attack across the Great Lakes water border, the U.S. took a huge immediate hit by imposing strict controls on imports. Gradually it recovered most but not all of its trade. Canada and Mexico formed closer ties with Asia as a result.

Charismatic leadership (source of)

A dissatisfied U.S. public is looking for leadership and not finding anyone who can break the logjam of political paralysis. The 2020 third-party president had no more luck than the Democrats and Republicans beforehand, although by 2028 a president had finally been re-elected to a second term.

Asian leadership has gotten great results for their peoples, but more from their ability to negotiate mutually beneficial arrangements vis-à-vis trade and security than from any sort of charisma.

Culturally, charisma is migrating eastward, with more celebrities, pop stars, and

⁶ *Keiretsu*: a huge, effectively vertically and horizontally integrated group of hundreds of companies tied together by such means as longstanding strategic alliance, exclusive supplier relationships, personal and family attachments, and sometimes (but not always) by common ownership.

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movie stars being Asian.

Terrorism

In general, this is a low-threat world. The U.S. is no longer as much of a target for terrorism, for reasons that are subject to debate. The U.S. claims to have suppressed radical Islamic terrorism (a matter of opinion), and it has implemented border controls, but scattered eco-terrorist and anti-growth incidents do still occur. Ungoverned areas (especially in Africa) also remain as a potential hiding place/base for terrorists. There are still sporadic terrorist-type outbreaks in Europe from dissident elements (often from non-European communities) – but they are more anger-driven and criminal in intent than ideology-driven. As the U.S. withdraws more from the Middle East, European and Asian police agencies have become more sophisticated in their analysis of events, de-emphasizing terrorism as a motivator. Also, as Asian ties are strengthened with the Middle East, an opportunity arises to play off the West on the East and vice-versa. A new Palestinian state is established, defusing much Muslim anger. In general, the threat of terrorism (especially cyber) has shifted from the nation state as the target to other non-state entities.

A “Silk Road” approach to fostering economic and cultural relationships between Near and Far East has prevented China from becoming a target amidst their rise. Meanwhile, Asian corporate investment in the Western Chinese provinces has reduced minority tensions in those areas.

International Arms Trade

A modest conventional arms trade still exists; otherwise there is little interest. Economic forces are more important than military ones.

International Crime/Illicit Economy

A Western observer would note that there seems to be very little distinction between crime and legitimate business in this world. The new international business norms are a departure from historical Western business “ethics.” Asians on the other hand find it far more ethical to deal with old friends and acquaintances that they can trust over generations (neither side of this debate has a monopoly on truth).

There is a robust illicit sector based in failed and vulnerable states, and a “gray” sector in states such as Russia that act as middlemen between the legitimate and illegitimate sectors.

In much of the world, “designer drugs” are all the rage; in the United States, however, illegally imported “traditional” or “old school” drugs such as marijuana, heroin, and cocaine have made a comeback, despite massive investment in border

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technology. Some people see shadowy Asian corporate influence over this trade, and call it “the revenge of the Opium War.”

Human trafficking (including slavery and illegal migration assistance) is occurring in other parts of the globe, and is now occasionally successfully breaching technologically advanced U.S. borders once again as 2030 approaches. For both illicit drug trade and illegal immigration, “cyber mules,” “cyber snakeheads,” and “cyber coyotes” – hackers who are able to use computers to find ways through the American border defenses – are essential. Cyber-crime and cyber-espionage are vexing international problems.

The Global Commons

Asian businesses are depleting major resources wherever they can find them. The polar ice cap is rapidly disappearing. The Northern Sea Route is open seasonally, and the Northwest Passage to a lesser extent. Corporate interests are diluting most governments’ ability to manage their EEZs. But the U.S. government is expending significant resources to protect its EEZ from increasing encroachment. Global fish stocks are depleting.

There are some instances of Asian business interests acting (through regional bodies such as the EAS) to preserve some aspects of the environment and global commons, but cynics note that when they do, it always seems to be in their financial interest to do so.

Corporate interests have influenced international governing organizations to open prospecting of some previously restricted global commons. Both the Moon and Antarctica are undergoing preliminary surveys (using advanced robotic technology) for potential resource extraction.

Energy

Globally high oil/gas consumption levels continue, especially in Asia, giving them an interest in Middle East stability. Energy shortages are caused by distribution and affordability issues, not lack of supply. New sources of oil are continuing to be found further offshore and farther underground.

The world is getting an increasing percentage of its energy from the Middle East, but Asia has to outbid others for its share of world energy resources. Asian corporations have supplanted U.S. and European oil companies in the production and distribution of Middle East oil.

Oil prices hover at mid-\$60s/barrel, spiking to \$70-\$80 occasionally due to supply bottlenecks, market uncertainties, and, more rarely, security concerns. U.S. oil

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supplies come primarily from the Gulf of Guinea, South America, Gulf of Mexico, and the U.S. Outer Continental Shelf (OCS), but an increasing percentage of America and the world's oil is coming from the Middle East, where America must outbid Asian countries for the marginal barrel.

The U.S. electricity distribution infrastructure is very unstable due to lack of investment and maintenance; rolling blackouts are common.

Nuclear power spreads widely. Generation 4 nuclear power plants reduce proliferation concerns. The U.S. is exporting this new nuclear technology. Many new nuclear power plants have been constructed.

Agriculture/Food/ Aquaculture/ Fisheries

Globally, food is a high-profit, high-demand business. Asian wealthy and middle-class growth has sparked a high demand for western-styled diets among those groups, which means more calories, higher protein, and crops that are more resource intensive. Less well-off economic groups, who are still the vast majority of populations, continue to exist with traditional diets. Genetically modified foods have been a critical component of providing an adequate supply of food. After a number of false starts, aquaculture has proven to be an evolving source of protein.

Portions of Africa and Central Asia are starving due to distribution problems, war, and climate changes.

Food imports into the U.S. are heavily scrutinized since the Canadian border terrorist scare of 2015; there are growing U.S. food exports to Asia from huge agribusinesses, many of which are Asian-owned. U.S. exports are predominantly high-value-added genetically engineered products instead of bulk grains. U.S. federal farm subsidies are lower, but remain as the public demand for protectionism rises.

Water, Minerals, Other Critical Resources

Asian businesses are depleting major resources wherever they can find them. There are clean-water shortages in many regions; desalination plants are being built along ocean shorelines due to the development of mega-cities, a very profitable business. Water prices are very high, as water theft becomes a growing concern. There is an international trade in shipping fresh water between continents. Water-driven riots have occurred in mega-cities.

Few other minerals or resources suffer significant shortages. However, mineral and resource extraction activities are often harmful to the environment.

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Global Health

Environmental health problems persist around the world given extremely high pollution levels; there is a lot of chronic upper respiratory disease. Combined with aging populations, this imposes significant costs around the globe. HIV/AIDS in Africa is a desperate situation, and remains a very serious problem in parts of Russia. But where there is no profit in the solution, there is no solution.

Ungoverned spaces, which include much of Africa, some of Latin America, and some of Central Asia, are occasional sources for therapy-resistant diphtheria, malaria, and tuberculosis, as well as viruses such as flu, SARS, and hemorrhagic fevers. Information about public health problems is less readily available.

The health of travelers is screened at U.S. borders, but little funding for public health programs is available. North America becomes an 'eco-tourist' draw for Asians, because it is seen as a the world's healthiest and cleanest environment.

Environment

There are high pollution levels, especially in Asia. Asians are burning lots of coal, strip-mining the world. There are some instances of Asian business interests acting (through regional bodies such as the EAS) to preserve some aspects of the environment and global commons, but cynics note that when they do, it always seems to be in their financial interest to do so.

The world's oceans are being over-fished. Resolving environmental problems is not a high priority for governments or corporations in spite of the increasing morbidity and mortality rates due to respiratory illnesses attributable to high levels of particulate matter in the air. Water treatment and desalination technologies are an important investment area. Environmental health issues persist around the world given extremely high pollution levels. Governments pay lip service to cleaning up the environment to the point needed to reduce public complaints. There is collusion among (mainly Asian) government and business to project a public image of a good life. There is growing concern over these issues, but it has not yet gelled into noticeable global action. America has an environmental comparative advantage. There is a good amount of unfocused resentment among the American public toward Asian pollution, which is increasingly affecting the American environment.

Global Climate Change/Natural Disasters

There are increasing instances of droughts and floods, particularly in sub-tropical areas, and an increase in severity but not frequency of tropical cyclones. The Arctic ice cap continues to shrink at an alarming rate. There is less multi-year ice. Permafrost is melting, releasing hydrocarbons into the air. Glaciers continue to disappear, leading to flooding and then the virtual disappearance of the rivers they

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once sourced.

Deforestation continues, but is largely exported from more developed countries to underdeveloped ones.

Sea levels have risen 10 cm above 2007 levels, with no major economic impact yet.

Demographics/ Migration

Europe, the U.S., Japan, and now China are aging, with historically low support ratios (workers per retiree). There are significant refugee/migration flows into Europe from Middle East/Africa, and into America from Latin America and Asia, to bolster support for retirees. The African population is still growing, but there is massive re-structuring of age cohorts due to HIV/AIDS. The Middle East population explosion has led to increased East Asian investment. These investments plus oil revenues have kept Middle Eastern unemployment reasonably controlled.

Aging cohorts in the U.S. have substantial political clout and fight for continued entitlements; controlled but high immigration helps to pay for Social Security, Medicare. Explosion of mega-cities is taking place in Asia. Japan is worst-hit by demographics; its lack of immigration really hurts them, makes them more dependent on China for economics, and the U.S. for security.

Despite the increase in global severe weather, the trend towards coastal cities continues, within the U.S. and globally.

Science and Technology

Leading sectors

Leading S&T sectors include IT/virtual reality, biogenetics/agriculture, mass transit, energy (nuclear, hydrogen), water processing (desalinization, reducing water consumption in industry/agriculture, recycling), robotics, health care/medicine/bio-engineering.

Asia has wrested the cutting edge away from the U.S. and Europe in many (non-military) sectors due mainly to its huge number of engineering and other science graduates, the numbers of which dwarf Western totals.

Pure science is lagging because it does not have an immediate return for corporations.

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Government and private funding

Asia is more likely to have big government projects, due to private sector collusion and available capital. The U.S. government is funding military and security technologies. Asian corporations are funding projects in other parts of the world to gain influence and further their economic interests.

Leading nations/regions

There is a very high level of inter-Asian S&T collaboration and sharing. Singapore becomes the global center for human cloning and organ selling (leading some Americans to accuse Asians of putting a different value on human life).

The U.S. retains a dominant position in aerospace, defense, materials, and optronics. It is among several nations leading the world in nano-technology development, though it is not dominant.

Technological transformation

A joint Chinese-Indian team has developed the next-generation Asian Operating System to supplant previously dominant American and European operating systems. The spread of technologies is uneven – it usually starts in Asian mega-cities and may not even reach the ungoverned areas of the world. Technology is used by Asian companies to supplant Western ideas, culture, and business systems.

Attitudes, ethics, values due to science and technology investments

Technology developments in Asia begin to loosen attitudes toward cloning and biogenetics. A relentless pursuit of corporate profit results in moral dilemmas that are approached differently throughout the world. S&T is seen as needed; it will find a place where it can be done. S&T is important as far as it contributes to corporate profits.

**Global Education/
Distribution of Knowledge**

This is an MBA/engineering world. Corporations are leaders in continuing/lifelong education to maintain competitive edge. Companies run their own universities. Transparency of knowledge is somewhat constrained by the IP-nature of key information. “Private knowledge” is an expensive commodity to buy and highly protected. Many resources are available on-line, but much is available only to authorized users.

Corporations identify and sponsor promising students from an early age (talent hunts in elementary schools). The best American students go to school in Asia and often stay there to work after graduation. There are ROTC-style programs for corporations.

Bioengineering leads to the world’s first halting attempts at “intellectual enhancement.” Education focuses more on social relationship, language skills,

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and cross-cultural knowledge. Asian Studies (including language, culture, and religion) are very popular globally.

Global Media

Asian culture is highly popular and widely available on global media (Bollywood/Hong Kong movies, Asian music, etc.). U.S. PR firms and entertainment skills are highly sought after, though even this sector is losing ground to Asian competition. This contributes to a blending of U.S. technical expertise/marketing and Asian themes. Americans are the villains in Asian-theme movies, but they can be digitally altered into Arabs or Nazis for import into the U.S.

Entertainment is one of the largest industries in the world. This is a world swept by media-driven fads.

Because of diminished transparency, a big market for investigative journalism (“Let me bring you the REAL behind-the-scenes story!”) has emerged. There is skepticism, of course, that the “real story” is really the REAL story. There is a proliferation of stories targeted to smaller audiences. International global news reflects Asian corporate interests and attitudes and is heavily used for product placement.

Religion

Religious conflict has not persisted to the degree expected at the outset of the century. Increasing economic collaboration between Muslim, Hindu, and Buddhist communities reinforces Asian influence on the globe (many in the U.S. believe this trend is phony and a cover for anti-Americanism). There is a growing interest in understanding Asian religion and culture among non-Asians who want to participate in the global economy. Asian studies blossom globally. Understanding Asian religion supposedly helps non-Asians understand “the creative management of opposites” and the “appreciation of the whole” that is said to permeate Asian business.

Among some Americans who do not participate in the ‘Asian world’ there is a fundamentalist religious (Christian) revival, some say in response to the rise of culturally and religiously generic meditation practices that have exploded in popularity.

Global Transportation

Asian-centered intermodal networks dominate. Containerization is booming. Much targeted and value-added transport and logistics services are available, especially for Asian markets. Multiple supply chains grow to serve specialized sub-markets. Long-range passenger transport has become more seamlessly

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intermodal. Privately owned infrastructure (airports, seaports, multimodal terminals, etc.) has become more common.

The transportation infrastructure within the U.S. is crumbling, except where linked to Asian commerce or to ensure security of borders against a terrorist attack.

New infrastructure favors supply chains required by Asian businesses and Asian tourists. The U.S. sense of relative security encourages tourism as a growth industry.

Infrastructure

*(maritime, industrial/
manufacturing,
energy, undersea,
transportation,
space-based)*

Maritime infrastructure has developed to accommodate increasingly larger vessels (Panama Canal, deepwater ports). Asian trade-focused intermodal connections have increased their capacity, often using private joint venture funding. Maritime transportation is used to alleviate overburdened land-based transportation (e.g., short-sea shipping, increased use of ferries).

Manufacturing is increasingly mobile (e.g., floating factories).

The energy infrastructure has moved farther offshore, and into deeper waters. The outer continental shelf is increasingly used as an alternative to land-based cables and pipelines.

Space-based geo-location systems have proliferated, and are embedded in all facets of transportation.

**Strength/Weakness
of Maritime
Legal Regime**

International fora are dominated by Asian corporations. International offshore jurisdictional disputes are frequently settled through the influence of Asian corporations.

High-seas rights of transit in support of Asian corporate interests are taking precedent over coastal states and their attempts to increase regulatory authority over offshore resources and the environment.

Global Culture

Asian culture is highly popular and widely available on global media (Bollywood/Hong Kong, anime, manga, etc.) and is the basis of transient fads. Interactive gaming is a major carrier of Asian culture. Interest in Asian culture is often seen as a smart business decision by an executive.

Economics drives most relationships between cultures: “Money rules.” There is

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little apparent concern for the disadvantaged globally. But the global gap between rich and poor is shrinking due to the massive economic uplift in Asia.

Entertainment is possibly the largest industry in the world. The world, and the global economy, is swept by media-driven fads.

U.S. adults are not as enamored of Asian fads, but youth are, far more than in the early 2000s. U.S. kids are diverging from their parents' culture in new ways.

Poverty & Development

There is less incentive to bail out countries that make bad decisions – “it’s their problem” is the prevailing attitude. That is an attitude, it is feared, that will lead to more failed states. But the overall *global* gap between rich and poor is shrinking due to massive Asian growth. Even a lucky minority within some African and Central Asian countries is prospering as a result of Asian corporate investment. This has had modest but hopeful effects in terms of job creation and income growth. However, the destitute, particularly in Africa, are without hope of any immediate improvement.

Asian aid is being used to increase access to markets for their businesses and needed resources. UN (and other IO) aid priorities start to reflect Asian government aid priorities, which reflect Asian business practices.

Telecommunications/ “Virtuality”

With a very high level of global connectivity, Virtual Reality is booming and wireless connections are everywhere where corporations have developed an infrastructure. The average person is always connected. Some areas are left further behind technologically. Automated translation is available (though not perfected yet). However, information is not as readily available to all (much is proprietary) and much of it is suspect or virus-ridden. Identity theft, and cyber-crime in general, is a concern.

There is a serious problem of “veracity.”

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Asian Way**U.S. Drivers****U.S. National Security Position**

The country becomes apprehensive about its future and global position, with the DoD looking for ways to be relevant.

NDS: One Major Combat Operation (MCO) capability, win decisively with very little capability for long-term occupation. National emergency response for natural catastrophes.

Roles and Missions: homeland defense; rapid response; *High technology investment, low human investment*

- **Navy:** fewer capital (blue water, sea control) ships, more littoral (coastal and brown water) and multi-mission resources for the Navy, SSBNs would experience an investment to sustain a deterrent force
- **Army:** decreasing in force structure and investment; investment shifting to unmanned technology
- **Marines:** modest decrease in force structure and investment; investment shifting to unmanned technology and specialized warfare
- **Air Force:** increase in space force; air-to-air capability decreased; lift decreased and strike maintained with a significant decrease in manned vehicles
- **National Guard:** National Guard faring well in wealthy trading states (esp. coastal). There is substantial friction with the federal government, and this includes funding levels and roles and mission debates for the National Guard.
- **Reserves:** resources shifted from Army to Guard and Reserves – cheaper to maintain reserve corps than large standing Army.
- **Special Operations Command (SOCOM):** dissolves as separate entity, and Marine Corps picks up the mission.
- **Other:** STRATCOM (now a sub-command of USACOM) would be important as protector of national cyber-capabilities/resources; TRANSCOM would become entire USG Transportation Command.

Global posture: *Presence in Central and South America (e.g., Panama), but otherwise we've returned to U.S. soil (increased presence in Hawaii, Alaska, and Guam). Most patrol missions utilize un-crewed vehicles.*

Security/defense organization structure:

Combatant commands dissolved in favor of a USACOM and an Expeditionary Command (EXCOM). Highly joint forces – very purple.

Funding support: *There is intense Congressional pressure for a significant reduction of security-related budgets (vs. increased money for the states, social*

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spending, education, and “pork”).

HLD/HLS investment priority: *Homeland security funding is also under pressure, but less so since some of it goes to the states, and especially first responders.*

Traditional Decreasing – In both likelihood and consequences (fewer capital ships)

Irregular Increasing – In both likelihood and consequences (more littoral resources for the Navy; Army and Marines “hurting” for roles and resources)

Catastrophic Decreasing – In likelihood, with increasing consequences (permanently alters the rules of the game)

Disruptive Exists – Increase in likelihood and decrease in consequences (StratComm would be important as protector of national cyber capabilities/resources)

Note: Reliance on direct conflict is a last resort of the meaningful actors in this world, which are the corporations.

Global Perception of the U.S.

The world projects a dismissive attitude toward the U.S. The U.S. is no longer the global leader, and is relatively less connected to others, economically and communications-wise, than others are to the rest of the world. The U.S. is not liked, and is not feared, except in purely military terms. But the venues in which that form of power is relevant *seem* to be diminishing in relevance.

Resentment of the U.S. on the part of Muslims in the Middle East still exists, but is receding.

U.S. Economy

*GDP growth;
key growth sectors*

GDP growth is depressed from historical averages; the nation has suffered several recessions. The average growth rate is about 2 percent a year. Industries/regions that are responding to Asian market are doing very well while others are stagnating. Much public infrastructure has been neglected and is in poor shape (with the exception of infrastructure related to Asian trade). This is not a depression, but it is not a robust economy by any means. Portions of the economy have benefited from the rise of Asia, but most geographic and market segments are on balance weaker than in the 2000s.

Growth areas include tourism (especially eco-tourism), value-added agriculture, entertainment, aerospace, defense (particularly in exports), materials, water

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technology, surveillance and sensors, security services, and energy (nuclear and hydrogen). Growth regions are those with strong ties to Asian economies.

Personal debt levels are at an all-time high; much equity has been drawn out of housing stock, which stagnates in value. There is a negative savings rate, at times. Personal bankruptcies are increasing annually.

Government economic policy/ business regulation

There is less need for federal-level regulations and assistance, and more emphasis on businesses and successful states/regions acting for themselves here – even ignoring the federal government. There is much lobbying for and against trade barriers and tariffs. IP protection is based on technologies and procedures more than laws or regulations. Huge initial regulatory effects from closing down the borders in 2015 are receding now after 15 years.

Availability of capital/ investment climate

The weak U.S. economy makes raising capital for domestic investment very difficult. We are not the highest-return place in which to invest; by end-state, however, some have come to value our transparency and rule of law. There are insufficient investment funds to meet all needs. Infrastructure is crumbling and not being repaired.

Employment

This is not a second Depression, but these are tough times for working classes; they are the ‘working poor’. Unions virtually disappear. Scattered unrest breaks out in high unemployment regions. There is active worker resentment against seniors’ entitlements. The middle class is under perpetual pressure. Gaining employment with global corporations is highly sought after (it’s like hitting the lottery, with many perks). Unemployment is around 8 percent.

U.S. infrastructure (maritime, industrial/ manufacturing, energy, undersea, transportation, space-based)

Maritime infrastructure has developed to accommodate increasingly larger vessels in ports handling Asian trade. Asian trade-focused intermodal connections have increased their capacity, often using private joint-venture funding. Maritime transportation is used to alleviate overburdened land-based transportation (e.g., short-sea shipping, increased use of ferries).

U.S. non-defense-related commercial manufacturing is in decline. Industrial and transportation infrastructure suffers where it is not critical to Asian corporate profits. Rolling blackouts occur in the electrical grid.

The energy infrastructure has moved farther offshore, and into deeper waters. The outer continental shelf is increasingly used as an alternative to land-based cables

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and pipelines.

Space-based geo-location systems have proliferated, and are embedded in all facets of transportation.

Trade and investment (FDI) relationships

Trade with Asia has increased substantially over the years, saving lots of money for consumers but hurting many American businesses.

Family farms disappear, replaced by intense concentration of agribusiness to feed Asian markets. The traditional “Rural America” of small farms and communities disappears. Some subsidies remain, however, in response to demand by public for protectionism in response to economic woes.

There is still a decent level of Europe-U.S. foreign direct investment (FDI), as the U.S. remains a “safe haven” in the minds of some investors.

Fiscal and monetary policies and status

The U.S. federal government continues to be burdened by very high debt levels, though budgets are now more or less balanced. High capital gains and corporate taxes under the one-term populist President are retained under her successor – there is no alternative.

There’s also a crisis in state and local finances, with little federal money sent back to states. In addition there exist high levels of personal bankruptcies and debt. Some states can raise funds for needed investments, especially to maintain connections with Asia.

Resource dependency

The U.S. is in better shape vis-à-vis resources than many other nations, but we still have vulnerabilities on energy (much larger dependence on imported oil) and some critical minerals. Large investments in clean coal and improved nuclear technology have been made. Water technologies have improved the water supply situation. The U.S. is still a provider of food to Asia (specialized engineered niche crops and livestock as well as grains). It is a healthy market for selling these technologies overseas.

U.S. Political Landscape

Political trends in U.S. (fragmentation, unity,

Two different Americas are emerging – one more prosperous and Asia-oriented, the other less prosperous and more insular. The American body politic is generally inward-looking, with a generational divide. The young want lighter tax burdens and the elderly insist on their entitlements. There is some social stress with the Asian-American population.

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Asian Way

third parties, civic engagement) and campaign finance reform

The receding of the primary anti-terrorism mission leaves America wandering in the wilderness. Americans suffer from a lack of positive images: “What happened to the American Dream? We can’t export it, the world doesn’t want it, and so we have to protect it here.” The mythology built up around American rugged individualism and pioneer spirit is revived. Asian executives are the villains in American movies (and vice-versa).

There is great societal stress based on multigenerational homes, suddenly diminished expectations, and competition from immigrant populations. Some of the middle class falls into poverty, some affluent fall into the middle class. Politics play to fears rather than hopes (anti-immigrant attitudes in particular). Many public services are now fee-for-service. The elderly and single-issue interest groups vote, but apathy is common otherwise. Racism and xenophobia are on the increase.

There is a general increase in isolationist sentiment (and policy) and a gradual withdrawal of American forces closer to home.

States/regions are gaining power at federal expense; the ‘New Federalism’ is gaining ground. States/regions aligning with Asia also accept the Asian model of private capitalism more and move away from the federal government.

Civil liberties vs. security

A revival of support for civil liberties is based on resistance to intrusive Asian corporations as well as decades of heightened homeland security efforts and the lengthy period since the last terrorist threat. This is also linked to the growing myth of the grand American rugged-individualist past. There has been no attempted domestic terror attack since 2015.

Balance between federal/state/local/private sector/NGO’s and non-profit organizations

Some state and local governments not benefiting from Asian trade are near or in bankruptcy. They are rejecting unfunded mandates. There is substantial friction with the federal government, and this includes funding levels and roles and mission debates for the National Guard. States are also competing heavily with one another for Asian investments. Some better-off states (Hawaii, Alaska, California) are moving toward separate behavior. Many state functions are delivered by private industry on a fee-for-service basis.

NGOs that can find funding from private sources are doing well, especially those providing what corporations want.

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Isolationism vs. engagement in the world

Overall, an isolationist tendency has developed at the government level, except for states/regions still succeeding in Asian markets.

America has steadily lowered its international profile over the past 15 years, while putting up an apparently highly effective wall against terror attacks.

Locus of political power

Political power is concentrated in interest group lobbyists, mega-corporations, and some forward-leaning “Asian-savvy” state/local governments. Better-off West Coast states and cities with connections to the Asian market tend to act more on their own and ignore the federal government.

U.S. Society

Public perception of military careers and of government

The federal government is increasingly seen as weak, ineffectual, and an unreliable safety net of last resort. Some states and cities are seen as more relevant, as they are sources of jobs and money. There is a constant churn in Congress, as well as a series of one-term presidents. Messages of government are more or less ignored. Extreme partisanship gets steadily worse through the 2010s, with the exception of an increasingly disaffected middle group that wants to see an end to partisan legislative gridlock, and an increasing number of people tuning out politics altogether.

Military careers have become less desirable, with limited stability and a constant fear of force reductions. National Guards based in states that are faring well (e.g., West Coast states) are viewed as more prestigious. Very tough budget battles emerge between Title 10 (federal authorities and responsibilities) versus Title 22 (state authorities and responsibilities) funding.

National loyalty and identifications

Conflicting trends: the “unconnected” interior sees increases in nationalism and xenophobia, while coastal regions see an increase in identification with both their individual state and their (usually Asian) employer. The younger generation identifies more with Asian culture, while the older generation resents it, with local exceptions based on Asian job-producing investments.

Integration/fragmentation of U.S. society & tendency toward violence

The gap between the haves and have-nots within the U.S. widens. Global competition is causing the middle class to dwindle.

There are a lot of crosscutting divides in this society, e.g., elderly cross-political divides and parties. Wealthy Asia-connected business elites separate from other Americans. Unifying forces are: continued belief in American exceptionalism, holding onto a glorious past; sports heroes; disgust with politicians; and a

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grudging desire on the part of the young not to see elderly relatives thrown out on the street.

Crime rates have risen from the “good old days” of the 1990s; most people attribute this to a rise in hopelessness and a loss of faith in a better future. “Old school” illegally imported drugs such as cocaine, heroin, and marijuana have made a big comeback. This has caused an ironic, nihilistic nostalgia for the culture of the 1970s.

Education

The best U.S. students seek admission to Asian technical institutes (they are the best in the world) and many stay there to work after graduation.

There is a growing trend of identification and cultivation of intellectual talent on behalf of multinational corporations. Public schools are in shambles, perpetuating poverty divides, with the exception of schools located within the influence zone of mega-corporations. Charter schools and private schools rise. There is not a big market for liberal arts education. Many of the wealthiest – and non-wealthy – kids are studying Mandarin. Asian corporations funnel money to already-world-class American universities.

Health care

A huge demand for health care exists, but especially among aging population with respiratory problems due to environmental degradation. Stress-reducing pharmaceuticals are popular. Demand for universal health care goes nowhere due to harsh fiscal situation; Medicare benefits are reduced and copayments increased. Those working for Asian corporations have good health care at company-owned medical facilities (others can come in on a fee basis off the street).

There is a migration of healthcare professionals to Asia (and especially to Asian corporations), leaving the U.S. searching for sufficient health-care talent.

Aging population of U.S.; societal and political effects

Americans are better off than Europeans and Japanese because of their superior ability to assimilate immigrants, but there are still great fiscal strains. Those working for Asian corporations have good health care at company-owned medical facilities. (Others can come in on a fee basis off the street.) The average retirement age has been creeping up due to cuts in benefits and economic dislocation, as many older Americans find it necessary to work longer.

Religious or cultural affinities

There is a growing fundamentalist Christian movement in the interior of the country in reaction to economic dislocation, and growing dominance of Asians.

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There is increased interest in Eastern religions (and in all things Asian) among affluent coastal populations.

*Leisure activities/
tourism*

Virtual reality; stay-at-home “See the Grand Canyon” vacations; some travel to Asia.

Regions and Key Countries

Canada

Canada is aligning more with Asia than with the U.S. It is not as friendly or engaged economically with U.S. as before due to the U.S. reaction to the terrorist threat in 2015. An African Islamist group attempted a bio-weapon attack using a speedboat on the Great Lakes from Canada, causing a panic in the U.S. in 2015. This led to a lockdown of cross-border trade and a “Manhattan Project”-style attempt to develop technology to seal borders. NAFTA withered after this.

Canada is a water (and oil/natural gas/other resource) superpower.

Mexico

Like Canada, Mexico is aligning more with Asia than with the U.S., though there are substantial legacy relationships that endure. Heavy Asian FDI is being pumped into Mexico. Big, beautiful Asian hotels and golf courses are sprouting up (where water conditions allow).

Legal migration to the U.S. is interrupted somewhat after the 2015 attempted terror attack, but it eventually returns to relatively high levels (though it is less than it might be due to lack of robustness of the U.S. economy).

Central America & Caribbean

Central America is suffering, aside from Panama. Costa Rica does somewhat better due to tourist and retiree spending.

The Caribbean is suffering from a drop-off in U.S. tourism and distance from Asia. Strengthened trade ties with Europe do not compensate much. Cuba is not the tourist Mecca they might have hoped to be, due to distance from center of world economic dynamism.

South America

Brazil is a rising power (due to agriculture and high tech), as is Argentina. The Pacific Coast is prospering via trade with Asia, but some other nations are not doing as well (e.g., Bolivia) and other areas are among the world’s ungoverned spaces (e.g., Four Borders Region). Colombia, Venezuela, and Ecuador profit from

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oil. Argentina does well due to its international ties and its cosmopolitan, well-educated population.

There is a great deal of Asian corporate industrial expansion in Latin America.

North Africa & Middle East

The Middle East is doing relatively better than in the early 2000s because:

- (1) The Israeli-Palestinian conflict has been settled, for now, with a Palestinian state and guarantees of Israel's right to exist.
- (2) Asia, and everyone else, need its oil and are paying higher prices for it (and non-oil-producing neighbors are benefiting from the region's increased prosperity).
- (3) Muslim regimes are able to play off newly affluent Asian regimes against the West, returning to the "good old days" of the Cold War dynamic, when they could play the U.S. off against the USSR.

Money for extremists is drying up because the Israeli-Palestinian problem has been more or less resolved. The U.S. still provides a security guarantee to Israel despite its general military drawdown and has withdrawn from Iraq and Afghanistan. The level of threat is far lower in part because European troops and a European observer presence in Jerusalem are keeping the peace. Gaza and the West Bank are subsidized by Muslim oil states.

The U.A.E./Bahrain/Qatar model of economic development – invest in infrastructure, education, tourism, and IT – is becoming the development model of choice in the region.

The next Internet-capable generation turns out to be for the most part more moderate than predecessors. The locus of Islamic power shifts from the Middle East to Asia, which supports a more moderate form of Islam. Extremists lose support and funding, which helps ease regional tensions.

Generation 4 nuclear power plants reduce proliferation concerns.

Iran has not deployed a nuclear deterrent, but seems close to being able to do so (with Chinese help, so far not forthcoming, as far as can be ascertained). Iran, however, has a more moderate government, which is on slightly better terms with the U.S. (though not normalized).

Israel has some connections with Asian corporations and governments as a hedge

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against a declining America. It is selling technology to Asian corporations. Iraq, nominally whole and democratic, is effectively split into three. The Shiite south aligns with Iran, while the EU and Turkey broker an agreement to allow Iraqi Kurdish autonomy in return for no demands for a larger Kurdish state. Sunni areas look to Syria and the Saudis for support.

Muslim youth are enjoying somewhat better opportunities than in 2006 due to investment by Asian corporations in their countries. This helps keep a lid on unrest.

Sub-Saharan Africa

The rich-poor gap here is actually growing, with disease and poverty stalking the land. There are many ungoverned spaces, with a “lost generation” of AIDS-orphaned children, armed and desperate, and exploited by guerrilla leaders. Civil society structures, rule of law, and governance have been eroded. The basic knowledge of agriculture and life skills are often lacking.

There is a large Asian corporate presence, especially for resource extraction, but local populations (aside from small Asian-connected elites) do not benefit as much as they should from this.

Europe

Europe is aging but in fairly good shape economically and socially. The EU is a tourist destination for affluent Asians, a source of engineering and design talent, and a marketer of luxury goods.

But Europe’s aging population necessitates refugee/migration flows into Europe from the Middle East and Africa to work. Partly due to this, the EU enlarges to include Turkey. There remain social tensions from young Middle Eastern/African migrants seeking jobs; “White Europe’s” tolerance is questionable, but the necessity to fund the social compact keeps ethnic hatred from completely boiling over.

Some coalition governments are in paralysis in Western Europe, with more power draining from nation-states to the EU.

The EU has turned towards Russia for energy and trade. The U.S. presence/impact in Europe (military, business, culture) was until recently at the lowest level in decades. However, EU foreign direct investment in the U.S. remains significant. The EU has formalized the European Defense Union (EDU) and instituted a combined rapid reaction defense force. Overall, U.S. force size has been reduced, but key strategic U.S. military bases remain in Europe (e.g., Italy and Germany). Those forces stationed there have a primary mission of maintaining a liaison with the new EDU as part of the revitalization of NATO in response to the rise of EASO.

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Asian Way**Former
Soviet Union**

Russia and Kazakhstan profit handsomely from raw material sales to Asia. Russia is highly capitalist on the surface and opportunistically playing off West (Europe) against East (Asia). Central Asia (outside oil reserves ‘bubbles’) is an ungoverned area, with much unrest evident. Russian government is an oligarchy of powerful political and business interests – there is much corruption from energy sales profits. Some of the richest people in the world are Russian “business executives.”

**China
(including Taiwan,
Hong Kong, etc.)**

The powers-that-be in China are increasingly seeing the EAS as a successor vehicle for the Chinese Communist Party (CCP), the People’s Liberation Army (PLA), and the business interests that dominate them. The Chinese economy grew at an average rate of 7-8 percent yearly, though this has slowed to around 5 percent by 2030. Investment in high-tech mega-cities causes wealth to be distributed adequately across classes/geographic regions. There is a real sense of ascendancy in China and across Asia, spawning regional and national pride. A Chinese-Indian IT company merger develops a new, dominant computer operating system. The Chinese and Indians are building a new Asian “Space City.”

The earlier phase of the China-India rapprochement took place via a delicate economics- and diplomacy-driven path (they were also drawn together by jointly resolving the Korean nuclear issue with little U.S. input or involvement). More recently, however, Sino-Indian relations have begun to take on a more directly military aspect, as they are the key partners in EASO. Japan has nowhere else to go, with demographic disaster looming, a declining U.S., and an increasingly dominant economy next door, though it retains its close U.S. ties. As part of its bid for regional cooperation to maximize its prospects, China ratchets down anti-Japan rhetoric. In return, the Japanese prime ministers stop visiting the Yasukuni shrine to Japanese World War II dead. Asian corporations begin to merge their interests and holdings, becoming the real locus of power and decision making in the region.

Taiwan is slowly, inexorably integrating with the mainland. A promise by China to the U.S. that it would not use force to reunite the island with the mainland has been kept – China has taken a long-term view and sees Taiwan as inevitably “coming home.” (In the meantime, they do not want to kill the golden goose with an irrational attack.)

China successfully privatized the remaining state-owned sectors (big factories, banks, etc.) and rationalized its financial sector in response to the 2016-2017 recession. This has contributed to sustained rapid growth.

Economic growth has come at the expense of some horrific environmental degradation, especially water problems and air pollution. By 2030, tolerance for

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this tradeoff on the part of the Chinese population is wearing thin, and the government seems to understand that it will have to address this issue in the near future.

**South Asia
(India, Pakistan,
Bangladesh,
Sri Lanka)**

China-India rapprochement is critical to South Asia. China and India begin to act more in concert as U.S. withdraws from the region, even to the extent of developing a joint space program. China brokers a trade and security pact between India and Pakistan; India and Pakistan have normalized relations and signed a deal over Kashmir in 2018.

Pakistan is slowly drawn into the EAS economic nexus; there is significant investment in Pakistan by wealthy Indian Muslims, Indonesians, and Malaysian interests towards the end of scenario. The increasing prosperity defuses Islamic extremism.

India and China collaborate on resolving their similar energy supply needs and developing the next generation of IT breakthroughs.

**North Asia
(Japan, Korea)**

China leads EAS group in negotiating demilitarization of the Korean peninsula in 2013, along with Japan, India, and others. Korea is not immediately reunited, but China and Asian corporations are funding the development of North Korea with a view to eventual reunification without the heavy financial hit to South Korea. North Korea is more stable and is aligned with China.

Japan is caught between its historical ties to the U.S. and the reality of the continental behemoth to the west. They attempt to straddle the gap by maintaining security ties to the U.S. while trying to integrate economically with the Asian conglomerates. They suffer somewhat from cultural distaste of the Chinese and other Asians who suffered under Japanese rule in World War II, and are not participating as fully as they would like; but they are tied closely into the Asian economy by 2025.

**Southeast Asia,
Australia,
New Zealand**

The UN headquarters moves to Singapore “temporarily” in 2023. Southeast Asia – especially Indonesia – is an active participant in the new ‘Asian way’. Corporations, increasingly multinational Asian entities, dominate the region and increasingly the world. Vietnam is increasingly integrated with its neighbors and is a new ‘Asian Tiger’, with Laos and Cambodia drawn into its local economic orbit. Even Myanmar is growing.

Australia and New Zealand are drawn into the Asian economy and are significant

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resource providers to East Asia. In security terms, they are still aligned with the U.S., but in the absence of any serious military tensions in the region, this relationship is far less important to their national interests than their economic ties to Asia.

Arctic/Antarctic

The Arctic ice cap is melting at a rapid rate; there is seasonal shipping through the Northern Sea Route (although Russia is still charging exorbitant rates for ice breaking assistance), and to a far lesser extent through the Northwest Passage. A resource scramble is underway in both polar regions for oil, gas, fisheries, and fresh water. Many fear that polar sea bed mineral harvesting is on the horizon.

Asian financial and industrial interests dominate international policy toward the Arctic, the Northwest Passage, and the Northern Sea Route, as well as global policy toward international waters.

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