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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	Increasing	Strong	High



Summary

Across much of the world, a new culture of global capitalism is fueling rapid economic growth, increasingly integrated markets, and dynamic technological innovation. The effects of this corporate-driven capitalism are pervasive. Foreign policy is strongly influenced by business leaders who are pulling the strings of increasingly powerful international bodies. The U.S. economy is thriving, but social safety nets have disappeared as the global business drive for profits ruthlessly discards those who can't (or don't) contribute. Poverty in many developing nations is exploding. An emerging moderate Pan-Islamic movement with a message that Islam cares (while global capitalism does not) is attempting to fill the void, and has gathered partners among other religious and social movements. Leaders of the new movement are benefiting from high income derived from hydrocarbon energy resources and are using some of this wealth to provide for those left behind. Although the top tier of Americans have benefited tremendously from hyper-capitalism, many others have not and the global clash between profits and principles is causing leaders from all sectors high anxiety. Optimists see these diverging paths as complementary and useful. Pessimists worry that they could end up on a collision course, with profound consequences for the U.S. and the world.

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Letter to my son, November 26th, 2030

Dear Sam,

I'm sorry I can't be home with the family tomorrow. It's hard to believe that tomorrow I'll celebrate yet another Thanksgiving working on a merger transaction. It almost seems like I have never stopped working on the last one; they all blend into one now that the markets are open 24/7. There is always something to do and, if I don't do it, they will be only too happy to find someone else who will! Ah, the joys of capitalism! Yet, tomorrow is Thanksgiving and I find myself reflecting on things we have to be thankful for. The forecast is for another beautiful weekend with the temperature hovering in the 60's; not like the subfreezing weather we used to have for Thanksgiving (in 2007?). There are so many good things in our life now and so few real problems, other than the lack of time to enjoy life, and the fact that I feel like I need to carry a gun in my car to feel safe. I'm successful, healthy, relatively young, and still in demand by corporations all over the world. So it seems odd to me that I feel on the edge of panic most of the time. I'm not the only one either; most of my friends feel the same way.

Thinking back, I've had some great successes. At 50, I now head PMGN's (Pfizer, Merck, Glaxo, Novartis) Strategy Group. I'm still getting used to this job. I think I am the only person in the entire company who doesn't have both monthly and quarterly targets to meet, and it's allowed me to do a lot of thinking about the world in which our company operates – something you know I like to do! To think that only six months ago, I was vying for the position of chief of the Chronic Illness Division. With all the new advances in human genomics, there is real money to be made but I wonder now if I still have the killer instinct. Thankfully, Gao RuFang, PMGN's CFO, still remembers that it was my strategic advice that led to the shift in focus on our HIV vaccine development strategy. Realizing that the governments were no longer going to support the development of vaccines for the viral subtypes circulating in Asia and Africa allowed us to make a killing on the B clade vaccine for use in the U.S. and Europe. Never thought that viral mutation would be an advantage, but we've turned it into one and now our patents mutate just as fast. This has kept our stock price up, and kept our competitors at bay for some time. So the company pays me more than I have time to spend, maybe because they're tracking the steady stream of offers I've gotten from competitors.

I'm happy to see that you and your sister are both still doing well at Morristown Academy. PMGN is really happy to be one of the ten corporate founders of your school. I see that they've gotten a top ten ranking, which is quite an achievement for such a young institution. I'm also really grateful for their extraordinary security system that keeps out the crazies that seem to be hitting all sorts of institutions with uncomfortable frequency these days. Your participation in the new Safety and Security (S&S) training program might just land you a plum internship this summer. Just remember that if you are able to land something, you'll be doing the grunt work for the analysts, but it could be a great résumé builder. I trust that both you and Heather are being true to your promise to stay inside the gates while you're there.

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So why should I feel so uneasy? I think maybe it's because everything seems so tenuous. Allow me this philosophical moment. It's not clear what kind of a legacy my generation is creating for you and your sister. The world is not a safe place – no surprise there. But the uneasiness I used to experience in the rough neighborhoods of foreign cities I now feel practically everywhere – including here in the U.S., in Paris, and even in Tokyo. Why is this so?

It's not about terrorism, which really used to keep me awake at night. That's one threat that has thankfully receded in recent years. It's not really about street crime either, although it's pretty clear from the statistics that it's been on the upswing for the last decade or so, ever since the world began treating poverty like some kind of social failure.

What I think really scares me is the random violence perpetrated by acutely unstable people. We used to call this "going postal." There's something about modern life that's unhinging a lot of people who can't hang on to the fast-moving merry-go-round. And I'm not just talking about folks on the margins of society. I mean professional people who six months ago were in the driver's seat. And now after getting "let go" by their employers they are angry and desperate.

Thankfully, most are not violent. But I, too, have received threats from some people I worked with before they were ditched after the last merger. But that's life – sink or swim. Not my granddaddy's paternalistic world at the old Ford Motor Company (RIP), that's for sure.

Where does that leave me? Well, honestly, I think I'm afraid that I'll lose my edge and be left on the trash heap with other discarded former fast-trackers. But in my more reflective moments, I question whether I'm doing anything worthwhile. This seems really odd even as I write it since, working for the largest pharmaceutical firm in the world, I am helping discover and distribute a huge array of life-saving and life-enhancing drugs.

It's a cliché, but things used to be simpler in the old days. I also really want to give you my take on the world we live in, and my view of the fray that I think you may be about to enter.

Vectors of Change

What a difference a quarter century makes! To be sure, there have been some dramatic events since I got my MBA from the University of Chicago in 2005. I feel really lucky to have been able to devote two years to graduate study – today most people get their advanced business accreditations through on-line joint corporate/university programs. That's a fundamental change, but it happened so gradually that it seemed inevitable. In fact, most of the changes in our society have been incremental, noticeable only in hindsight. You will have to deal with this of course, after you graduate from Morristown Academy next June.

My life, and by extension yours, has been shaped in a brutal, economically competitive world. For much of my life – and all of yours – practically the only haven in this heartless world has

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been family. It used to be the case, you've probably heard, when other societal units, like churches, trade unions, civic organizations, and even employers, provided community, support, and a helping hand to folks going through hard times. All that started to change way back in the 1980s, with globalization and corporate downsizing, and it accelerated with the dawning of the information age and 24/7 globally integrated financial markets. Much of this was anticipated in my business-school studies, but I believed, naively, that what we called "the new economy" would eventually rule the day. The image was of a truly free, dynamic, entrepreneurial market environment defined and shaped by innovative start-ups, led by intelligent, energetic, and enlightened pioneers determined as much to save the world as to make their personal fortunes.

What we got instead was a world dominated by large, global companies whose leaders seem to think almost exclusively in terms of maximizing returns to shareholders. Some, like PMGN, are thriving holdovers from the old economy. Others, like Microsoft and Google, are grown-up descendents of bona fide garage start-ups. But it's hard to recognize them as such. All of these gorillas are large, global, powerful, and ruthless. Oh, and another important attribute: they're all very influential in the halls of power – Washington, New York, London, Brussels, Tokyo, Beijing, wherever. I have studied the Robber Barons and early U.S. industrial capitalism. Believe me when I tell you that this degree of corporate power and influence, globally exercised, is unprecedented. And not just a little bit scary. (By the way, did you see the report in *Forbes* on the corporate "militias" owned by international companies in Africa and South America? Well, it's not just big oil. We have them, too. PMGN's uniformed personnel not only guard plants and labs; they're also trained in counter-terrorism tactics and hostage rescue. But you didn't hear this from me....)

Some of this scariness has a déjà vu quality to it. At times it seems that we're back in 20th century Africa, when I read current articles about the continent's renewed interest in first-world corporations. After all, many African countries have the rare resources, especially in precious heavy metals that are so critical for advanced technological processes. They also have the cheap labor. This combination has proved very advantageous, up to now at least, for many global firms. One can argue that this was a positive sum arrangement, and that Africa benefited from the capital, the market reach, and the advanced management practices these firms brought to the table.

The Economist magazine has run numerous articles over the past decade chronicling the increasingly complex economic ties between American and Chinese companies. There are some instances of corporate arrangements that are creating significant economic value. But there are other instances in which arrangements have foundered, often when Chinese companies have inexplicably refused to operate with the same degree of transparency that American companies demand. What has drawn less attention is the extent to which the interests from the two countries have cooperated on new technology ventures and even some limited military agreements. Twenty years ago, Washington would have had something to say about this. Today, chances are that K Street, long the symbol of powerful lobby organizations in the U.S., drafted what Washington said. It's that kind of a world.

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Let me explain my perspective on how we got here.

Davos, and the Ascent of Global Corporate Power

In the U.S., the year of 2011 was “the worst of times.” First, housing prices dove sharply, driving the economy into recession. The government responded with a lot of arm-waving, but it was the financial community that created a workout program for all of us who had been carrying mortgages that were suddenly bigger than the value of our properties. This fall in housing prices wasn’t really as bad as it was perceived to be, but we were all spoiled and had come to believe that escalating home values were almost a right that would provide us spending power whenever we wanted it. The result was a collapse in consumer confidence that precipitated the recession of 2011-2012. Here again, the government was perceived to be unable to come up with any solutions until the private sector set mortgage renegotiations, and some novel financial packages, in motion.

Of course all of the problems in that awful year weren’t just economic. You may not be able to remember the release of anthrax into the Chicago Board of Trade ventilation system, but it scared everybody in December of 2012. The impact was, of course, far greater than the eight people who died. I remember the government debates on what happened and how it had happened. They seemed to be more about placing and dodging blame than about solutions. And the government had no solutions to offer to the public. It wasn’t until a team from the private security company, Wackenhut, got involved with their superior analytic tools that the five al Qaeda operatives who pulled it off were identified and caught. And it was a consortium of several companies that presented to the government the new security approach that will make this specific kind of attack unlikely to occur again. I don’t think the caustic reports in the newspapers and business press were always on the mark, but there was clearly a growing consensus that government responses were inept. In many cases, the work that the government had appeared to do turned out to have been outsourced to contractors. Public trust in corporate efficiency and competency waxed after this fiasco, while faith in our government clearly waned.

The next year, in 2013 with much of the developed world still trying to emerge from recession or its aftereffects, the corporate heavyweights were attending the World Economic Forum in Davos. Given the tense global dynamics of the time, they were worried stiff about the rising specter of protectionism and economic disorder around the world and they were frustrated over the powerlessness of the World Trade Organization (WTO) to do anything about it. The WTO’s charmingly democratic one country/one vote governance model was fine during good times, but deadly during economic crises. And a crisis was indeed brewing. That year the corporate leaders in Davos formed an alternative global trade and investment organization with the non-threatening name of the International Business Advisory Council (IBAC). Today, the IBAC is universally known as the Davos Group and is composed of the 250 most powerful private and public corporations from around the world.

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Essentially, the Davos Group established a voluntary global set of rules governing many aspects of “business interchange,” and did so in a way that did not immediately or blatantly encroach on governmental authority. It seems that they had hired top regulatory and legal experts from around the world with the goal of creating so-called “optimized pathways for global business in the best interest of the world.” (If you define *best interest* in terms of ROI, they were probably right.) Today, these pathways take on many different forms depending on the circumstances: wholly new rule sets governing trade and investment, memoranda of understanding, technical standards, and various informal covenants on just about any industrial or financial issue. The Davos Group also develops influential position papers on important issue pending before the UN and other multilateral bodies or before the legislatures of national governments.

The Davos Group has become the most powerful business organization in history and has evolved to become the hand manipulating governments behind the scene for the benefit of business in much of the developed world today. Some feel that its effectiveness is surpassed only by its heartlessness. An old University of Chicago professor, Milton Friedman, may have provided the Davos Group with its operating mantra more than 30 years earlier when he said:

So the question is do corporate executives, provided they stay within the law, have responsibilities in their business activities other than to make as much money for their stockholders as possible? And my answer to that is no they do not.

For the first few years, the Davos Group operated pretty much like a streamlined, high-energy WTO (that organization, by the way, is just a nuisance if you ask me, especially now that they are partnering with the crazies, tree-huggers, and granola crunchers). The influence of the Davos Group, on the other hand, was brought to bear on a steadily widening scope of issues. Companies from around the world, heavily influenced by a few heavyweights from the U.S. and China, molded the goals and operating procedures. The Davos Group has stayed in the background, but everybody knows that by the mid-teens it was already having a growing influence on government policies in most of the developed world. Governments that resisted too much found that their companies had increasing trouble competing on the world stage. The voting public, for the most part, applauded the results. After all, economies strengthened, unemployment declined, and deficits (even in the U.S.) started to decline. Sure, those that couldn’t keep up were left with the almost impossible task of fending for themselves, but this was an exciting period for almost everybody else. It felt like things were getting done and the news pundits all predicted halcyon days in which we would all reap the benefits of the productivity increases.

But here’s the rub. The problem with the “Davos World” that we live in today is that it has no soul. Everything is structured for the benefit of private enterprise and to maximize profit. That means that there’s no loyalty any more. Oh, sure the companies make a big show of supporting you when you’re contributing to their bottom line. But it’s all a façade. You’re going to have to deal with this because it feels to me that society may start to unravel. Think about this as you finish your studies.

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My best friend and co-worker at PMGN, Ralph Johnson, lost his job last year when he contracted dengue fever while he was in Virginia, where this tropical disease is just emerging. He was only hospitalized for a week, but was unable to go back to work for a couple of months. Since Ralph is only 45 and in great shape, he had skimped on his insurance and his hospitalization and recuperation ended up costing him a big chunk of his savings. It also monopolized Ralph's attention during the first month of his convalescence. PMGN helped Ralph set up a home office so he could continue his work but, when Ralph was unable to keep up, they put him on an unpaid leave of absence after only two weeks. Without the day-to-day press of work, Ralph spent the next month working hard to accelerate his rehab and didn't keep up with events at the office. As it turned out, this isolation cost Ralph his job.

There was a new certification that came available while Ralph was incommunicado and by the time he was ready to return, PMGN had committed to someone else who was already too far ahead for Ralph to catch up. Ralph is a solid guy, but his certification is in a narrow field that seems to be passé. PMGN won't even talk to him about anything else here and he hasn't been able to get another job anywhere else. He's getting desperate and I heard he's on a downward spiral with one of those new "designer drugs" that the FDA hasn't caught up with yet. I'm worried about Ralph because he's about out of funds and out of hope.

Alternative Paths

Up to now, this letter-turned-history lesson has been a rather one-sided narrative: massive corporations monopolizing global resources and power. That's a very incomplete image, which I hope to correct in the following pages. As you know, the world is a much more complex place.

The challenges of the early 21st century, we now realize, surpassed the ability of most governments and international bodies to deal effectively with them. Private sector organizations – corporations, industry groups and then the Davos Group – filled the vacuum. They had the brains, the technology, the organizational skills, and the deep pockets to fix the problems that mattered to them – and they did.

But this increased concentration of power in private sector organizations who were accountable only to stockholders, not to other citizens of any country, did not sit well everywhere. Questioning a world dominated by impersonal corporate interests started soon after the Davos Group got established. This groundswell was global but took on different forms in different regions of the world. In Europe, universities and conservation organizations led the charge. In Japan, the anti-corporate movement was led by small business organizations. In the U.S. the movement was composed of a motley mix of disgruntled IT workers, church groups, and artists. The issues were often very different – rising sea levels, clean water, good schools, tax reform, job security, health care, etc. – but the motivating factors were essentially the same: reassert the rightful role of civil society in creating more just and responsive societies in the face of a widening gap between the wealthiest and the poorest throughout the world.

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Nowhere was this “push-back” more dramatically evident than in the Islamic world, which had been torn by division during much of the 2000 decade over a laundry list including the Palestinian issue, Afghanistan, Iraq, Iran, and the challenge of coexistence with a dominant, impersonal, and what they perceived to be corrupting Western culture. Today the long arm of Davos seems to be behind so much that happens in the developed world, but before its creation capitalism was struggling unsuccessfully to capture the imagination of people in the Middle East. For a while it seemed that we were headed for ever more virulent clashes between U.S.-led capitalism and Islam. The ascendancy of extremists across the Arab world, Iran, and elsewhere, however, forced the hand of Islamic moderates who had been quietly organizing behind the scenes with the aim of creating a new organization. This entity was initially dedicated to benevolent and philanthropic activities, but its visionaries had grander goals in mind: to be the voice of moderate Islamic beliefs and ideas in the global arena. The Development and Economic Empowerment Network – DEEN – was born in 2011.

The Meaning of DEEN

Originally spun out of the Muslim Brotherhood, DEEN focused more narrowly on humanitarian and social causes around the world. When I first heard about this link I did a little research and discovered that the Muslim Brotherhood was founded in 1928 by Hassan Al-Banna, a young Egyptian schoolteacher. Al-Banna decried the corruptness of British colonialism in Egypt, and saw the decline of the Muslim world at the hands of colonial powers as a manifestation of weakened faith and practice. Although he embraced science and technology as vanguards of modern transformation, he believed that this must go hand-in-hand with spiritual transformation – specifically a return to traditional Islam. Advocating grassroots activism, it helped found social institutions such as hospitals, pharmacies, and schools. The Muslim Brotherhood was thus a religious, social, and eventually, a political movement. Later, an extremist fringe developed. Elements of the Brotherhood were implicated in political assassinations, including an attempt on the life of the secular, Arab nationalist Gamal Abdul Nasser. Despite this, the Brotherhood gained in popularity and spread to other part of the Islamic world, most notably Jordan and Syria.

DEEN’s focus included the disease-ravaged and neglected poor countries of the world, even though it operated within the developed world as well. In the late teens I began to hear conversations about DEEN at cocktail parties. Its mandate to alleviate human suffering captured the imagination of a lot of people from mainline religions who had become disillusioned over the rigid dogma or social indifference of their own churches. Its charismatic leader, Mohammad Abdul Rahim, articulated DEEN’s values in ways that reached across religious faiths. He emphasized respect for all world religions and constantly reminded his global listeners that, when it came to values, they agreed much more than they disagreed. It was on this basis that he called for unity. To many, DEEN was out in the world, doing good work, and credibly living out its pro-values message. Progressive churches (and synagogues) sought opportunities to cooperate with the new organization in health care, education and community organization projects. Interestingly, I recently learned that the Arabic word *deen* roughly translates into ‘an organization

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or body of faith' – it's hard not to see the ecumenical power in that! Inspired by DEEN, a loose coalition of world churches and benevolent organizations has now formed as a counterweight to corporate power and the highly materialistic consumer culture of our age.

Not everyone, however, saw DEEN as a wholly positive influence on the world – and clearly not all do today either. Abdul Rahim was initially viewed by some as a dangerous demagogue, and back in 2010 many people believed that practically any Islamic organization was a potential terrorist group. Indeed, it seems to me that in DEEN's formative years, extremists had joined DEEN with the intent to wrest control from Abdul Rahim and use the organization to further their own fire-brand version of puritanical ideology.

DEEN's critique of global capitalism was pointed and, for many, persuasive. It held that Las Vegas, MTV's reality shows, and Internet pornography were examples of the immorality that flows from a consuming focus on profit, materialism, and self-gratification. It continued with a description of how business ethics lacked the humanity and the moral foundation that were critical in a world with desperate needs. These themes were developed in some detail and with lots of examples. Most important in the end, I think, were the seeds these messages planted in the minds of many people around the world. These seeds have flowered into a growing revulsion against American values. Of course, they're not only American, but we are the lightning rod that attracts criticism in this area.

The turning point in the struggle for the heart of DEEN came in 2013, when extremists attacked and flattened the Hilton in Mecca. With something like 500 casualties, I remember some of the news reports comparing this to 9/11. The numbers were different, but the psychological impact was huge. The goal of the terrorists was apparently double-edged. They wanted to purge the faith of its weaker adherents from the holy city of Mecca, with the added symbolism of destroying a Western hotel. This proved to be a serious miscalculation by the extremists as millions of Muslims across the globe took to the streets to protest and demonstrate against these unholy actions taken in the name of Islam. This led to the purging of the more radical elements in DEEN.

It wasn't too long before I started to read a number of articles citing DEEN as a bulwark of moderate Islam against mindless terrorism and a critic of rising social injustice in a world in which profit had become the driving force. Under the firm leadership of Abdul Rahim, it became an internationally recognized and respected voice against terrorist violence and a proponent of outreach and service to the world's poor and disenfranchised. To finance these programs, DEEN secured a steady and growing source of funding from oil-rich Arab states that were also under attack from Wahabist-Salafist terrorists.

Not surprisingly, its growing humanitarian stature enhanced DEEN's political clout. It was a key player in establishing the independent Palestinian state in 2014. I remember those negotiations well. The antagonists seemed to be disarmed by the ingenuous shuttle diplomacy carried out by this new force. The success of the final settlement talks gave DEEN a significant boost on the global stage. Though not really proven definitively, DEEN has even been credited with exerting



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an important influence behind the reform of the House of Saud. Apparently, the Davos Group is not the only organization on the world stage that can work quietly and effectively behind the scenes!

Their reach today is ever more global and is extended through partnerships with other organizations, both inside and outside the Muslim religion. For example, they have worked closely with the World Council of Churches, especially in the United States. Today, DEEN seems to be everywhere. In the Islamic world it is sponsoring health clinics for marginal populations, reaching out to AIDS victims, collaborating with Western church groups, NGOs, etc., as well as advocating greater health reporting and transparency while continuing to advocate chastity, monogamy, and social responsibility. In Africa, where there is widespread state failure, civil unrest, and unmanaged borders, DEEN has led partnerships with NGOs, foundations, and religious organizations, including missionaries, to bring some measure of relief to that increasingly desperate part of the world. Even in the U.S., DEEN is active trying to help the discarded and left-behind people, like my friend Ralph. They are particularly active in Detroit with its large Muslim population.

I recently came across an English translation of an article from an influential Arabic language magazine. Its characterization of DEEN – ‘providing a moral counterpoint to the market-based materialism espoused by the likes of the Davos Group’ – is very interesting.

DEEN has evolved into a quietly powerful moral counterpoint to the pure business orientation of the Davos Group. It has used its resources to combat disease, provide needed fresh water, and foster hope among those who can no longer find it on their own. In sharp contrast to the Davos Group, the DEEN operating philosophy might have been captured in the following quote from the Quran:

*Wealth and children are the adornment of this present life;
but good works, which are lasting, are better in the sight of
thy Lord as to recompense, and better as to hope.*

I am impressed. But am I won over? Not entirely. Maybe I’m too jaded, but the skeptic in me warns that DEEN is too good to be true. In fact, like any large and complex human organization, it has its warts (I’m recalling the kickback scandal in Nigeria last year). This is to be expected. More interesting to watch, I believe, is whether the moderate center holds. Its political power and financial strength is already starting to attract a wide range of elements, some good, some not so good. What are we to make of this nascent “New Brotherhood” wing of DEEN that was described in that cover story in yesterday’s WSJ? Their rhetoric scares me a bit. It harkens back to a darker time. I hope I’m wrong about this.



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The 120 Left Behind

I would be remiss not to mention another significant actor on the world stage that has arisen in reaction to the increasing concentration of power within the Davos Group of economic heavy-hitters. This is the collection of nations known as the Group of 120. The G-120 evolved out of the old G-77 group of developing nations who way back in 1964 organized around a common set of development needs and requirements. The G-77 had its hey-day in the 1970s, when oil and commodity prices were high. After that, the organization lost its bearings, especially as larger and more influential members lost interest. In truth, much of the G-77 agenda got absorbed by the likes of the UNDP, the World Bank, and the WTO. But as those organizations have become more heavily influenced by the likes of the Davos Group, the dozens of developing countries still struggling in the global marketplace – 120 of them – have found it important to create a common agenda and a countervailing force to what they call “the unbridled power of corporate capitalism.”

This is important to watch. The G-120 has lost a few of the bigger countries who used to be formally associated with the G-77: China, India, Korea, Brazil, Mexico, and Argentina, most notably, have “graduated” and now appear more comfortable at Davos-type forums. But that still leaves a large number of countries, many with important energy and rare earth resources, as part of the G-120 movement. This is important potential leverage – especially if, as many assume, DEEN chooses to deepen its ties to the G-120.

I recall your sister’s excellent paper on problems in the developing world, which touches on the nuclear angle in the G-120 issue. The following passage from her paper gave me chills:

Even though Pakistan and Iran are the only G-120 member that have proven Nukes, Venezuela could also develop nuclear weapons capability in less than a year if they decide they want it. Left on the fringes of the world economy, it’s not hard to imagine some demagogue coming to power with a drive to do just that.

Back Home...

So, how is our country doing? That’s not an easy question. In fact, who are “we” and what is “our” country? The biggest decisions seem to be driven from a global perspective, and when I take a road trip, much of what I see does not look like what I think of as America. Nevertheless, I look at our economy and I see obvious strengths: strong capital markets, agile companies, dynamic innovation, and global market reach. But there are a number of less obvious and less desirable aspects of the status quo that leave me wondering how sustainable all of this is. Will the large agribusiness interests here at home continue to block farm imports from desperate countries in Africa and South America? Who is monitoring the quality of our air and water? What are the longer-term consequences of ceding so much power and influence on critical global issues to the likes of the Davos Group? I am also concerned because it seems that those not participating in

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the business growth are increasingly willing to listen to other voices – even from outside the U.S. – for leadership. Also, our middle class seems to be melting right along with the polar ice cap. We are becoming a nation of Costco's and Cartier shops – with less and less in between.

We have not won a final victory in the quarter-century-long war on terror. We still see occasional attacks in the U.S. and elsewhere. I have no doubt that the emergence of DEEN has been an important moderating influence in the Islamic world. Terrorist organizations do seem less organized and less capable of the huge attacks that had become expected in the first decade of this century. They have not, however, disappeared and even though their attacks are smaller, they have shown a continuing ability and commitment to attack public places. If the attacks are smaller, their almost random nature has robbed all of us of the comfort that we had expected would come with their waning resources. Remaining terrorist cadres, embedded since the early 2000s, have turned to a sporadic stream of lower-level attacks, much like the Hamas attacks in Israel during the 1990s.

For me, however, the most frightening aspect of terror today is that it is more likely to come from an American, discarded when he or she could no longer contribute to the global economic machine, than from a foreign terrorist. The paranoia and perceived invasion of personal privacy have formed the keystone of "citizen militias." These indigenous groups are targeting selected corporate offices through a series of conventional bomb, letter bomb, and cyber-attacks. The militias are successfully increasing their membership under the banner of fighting for their constitutional rights. One of these groups has recently formed a public arm that is making statements about forming a new political party.

Terror also rears its head in cyber-attacks. The hackers/cyber-terrorists found the new infrastructure to be an intriguing target and periodically were able to leap-frog efforts to protect against them. Though the hackers/terrorists were never fully successful in disrupting broad swaths of the economy, they became adept at disrupting the lives of enough Americans that there was a pervasive feeling that nobody's private information, now widely dispersed in various "secure" systems, was safe.

Despite all the news about attacks by both terrorists and reactionaries, people are coping. Like the Londoners in the 80s and Israelis over a number of decades, life goes on. It has changed, but it has not stopped. As you know, gated communities, like our own, are no longer a source of derision. Armed block watches have proliferated so much that you might have trouble believing that there was a time when they did not exist – a time when people just "felt safe" because it was America. These days, facilities like large sports arenas, convention centers, and major amusement parks have installed extensive security and have been certified for large events. Some tourist destinations, including a number of Caribbean resorts, have also completed substantial new security programs and are now advertising that noted private security firms have declared them "safe" to cater to the American tourist's need to feel secure.

All of this is not my idea of utopia, but for most of the people I deal with every day it seems to work.

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The Dual Reality of 2030

Yes, your old man, at the mid-life point, is revising some of his views. As you know, I used to pride myself on being an “early adopter” of new technology. What I’m realizing is that so many of our “breakthrough technologies,” while improving my standard of living, are not improving my life. Technology is providing wonderful new capabilities for everyone who can afford it, but it is moving too fast for me. The economy is vibrant, but the corporate decisions that drive it are ruthless. The economy is booming, but the environment is busting. I am grateful on this Thanksgiving eve, but I am not confident.

The technology foundation of the global economy was maintained and even strengthened through many of the changes of the past 20 years. During the recessions, electronic commerce was encouraged as a cost saving. As the economy globalized, infrastructure changes built in new efficiencies leveraging electrons rather than human organizations. People are now more disposable than systems.

That includes me – and in the broad sweep of things, I’m a winner. And yet, honestly, I am afraid. I am afraid I’ll lose my job. I am afraid I’ll be killed by some former friend who has been cast off by his or her employer. I am afraid that one of the Russian nukes will find its way to the United States, maybe even to where I live or work. I am afraid that I’ll check my bank account and find that it’s been vacuumed away by some cyber-terrorist, or that my retirement funds have lost half their value from the enormous market volatility.

I am also afraid that the pro-business policies of the past two decades may have done unrecoverable damage to the environment and that the exploding numbers of poor in the world will catch up with us very soon. In China it’s so bad that sickness has slowed productivity and some of their best scientists are leaving. In Canada we are all hailing the savings in transportation costs deriving from the opening of the Northwest Passage, but what does this mean to the rest of the globe?

It seems ironic that for many here in the U.S., a coalition of mostly religious groups, first brought together by DEEN, a Muslim group, is providing a moral beacon that gives people hope in the future. Twenty years ago many people in the U.S. had an irrational fear of all things Muslim. Now, though vestiges of that are still firmly entrenched in the older generations, many younger people here look to organizations in this values coalition for moral leadership in solving the world’s problems, big and small. The recent DEEN study that you told me about is getting increasing coverage in the press and I’m getting really worried that they might be right that another chunk of the Greenland ice cap might drop off soon, maybe even bigger than the one two years ago.

As 2030 draws to a close, there is a startling dichotomy in the output of polls that purport to show how people in the United States feel about the future. One group of polls, conducted by such organizations as The Conference Board and the University of Michigan, has focused on people’s

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mood about the future of the economy; these show a huge gap between the buoyant optimism of the top 10 percent and the desperation of the bottom 10 percent. The second group of polls, conducted by such organizations as Zogby and Gallup, has focused on how safe and secure people feel. These show more unanimity, with a continuing paranoia that reflects personal economic insecurities in addition to the steady stream of incidents perpetrated by terrorists and home-grown radicals.

I'm no longer sure how to measure success. My personal bond rating and the success of my personal portfolio are gratifying, but are not enough. In the end they are hollow and unsatisfying. I'm not sure what to be thankful for. Most of all I am thankful for you and Heather, but I worry that the world is spinning out of my, and ultimately your, control. You two will need some luck and some pluck to build your own satisfaction. That nexus is where I find myself on this Thanksgiving Day.

Love,

Dad

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Characteristics Matrix

Scenario Chronology

- 2011: Powerful economic turbulence hits the U.S. There are downstream effects on education, military funding, currency stability, etc. Government actions are increasingly scaled back while the private sector only selectively provides those social services they find profitable or necessary for business purposes.
- Developing countries join together to form “The Group of 120” after rich countries renege on their DOHA Round promises.
- The Development and Economic Empowerment Network (DEEN) is founded as a well-funded offshoot of the Muslim Brotherhood, dedicated to creating a fresh, moderate voice for Muslim interests.
- 2012: A low-grade biological attack occurs in the U.S. The private sector catches the perpetrators and develops new technology that affords an effective impediment to further similar attacks. The government is perceived as having been inept.
- 2013: The International Business Advisory Council (IBAC) is founded. The initial foundation for IBAC was laid at the World Economic Forum in Davos, Switzerland, and has come to be popularly known as “the Davos Group.” The WTO is effectively abandoned.
- An attack on a Hilton hotel in Mecca causes extensive Muslim casualties during Jumu’aa (Friday prayers). This event triggers widespread outrage against radical Islamic terrorists.
- 2014: The Israel/Palestine conflict is successfully managed, with the help of the moderate Islamic group – DEEN, resulting in a moderate Palestinian state.
- 2015: The first private-public security partnership with Exxon-Mobil is created in response to a soft-target attack on oil refineries in Nigeria.
- 2018: Venezuela assumes leadership of the G-120, with a more radical approach to counter the Davos Group and MNC-dominated economic forces, galvanizing those that feel “left behind.”
- The Northwest passage through northern Canada joins the northern sea route, opening shipping lanes between Asia and the east coast of North America and Europe.
- 2025: An antibody-based HIV vaccine is developed for the B-type virus, offering significant protection to affluent Americans and Europeans, where this sub-type is dominant. A negative reaction to this in the rest of the world gradually but steadily grows.
- 2028: A piece of the Greenland ice sheet dropped off, raising global water levels by two inches.
- A rare, potentially valuable, compound with important energy applications (formerly believed to exist only on the moon) was discovered in Antarctica.

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Global Drivers

Level of Stability and Conflict in the World

For the last two decades, economic competition has replaced military competition and even affected much political competition. And, owing to the highly integrated nature of global markets, economic competition is primarily among global firms and much less between nations.

There is little or no conventional military conflict among the major powers: U.S., China, India, and Brazil. The U.S. is “aligned” de facto with China on a multi-dimensional basis, including military, economic, and technological aspects.

There are widespread instances of local unrest in many parts of the world, especially in developing countries suffering from acute resource shortages or lacking significant competitive advantage. In many instances, well-armed militias assume power after governments collapse and economies are overrun by burning and looting. Where there are no risks at stake to global corporations, these events are barely reported in the international press.

A hyper-capitalist model challenges traditional social and political structures. Where permitted, the underpaid and underemployed have organized even though, in most cases, they lack sufficient leverage to successfully challenge entrenched corporate interests. But the ranks of the underdogs are growing, and corporate elites are beginning to doubt if their demands can be put off indefinitely, especially now with coalitions of religious, ethical, and civil society organizations developing around issues related to social and economic justice.

Extremist elements – supported by some of those that are not thriving in the hot, competitive economy – are all over, but they are fragmented and do not undermine stability, as yet. Radical Islamic groups compete with the more moderate DEEN for the hearts and minds of disillusioned Muslim youth. DEEN espouses economic progress but with more conservative, traditional, non-permissive values.

The nature of threats to U.S. security and quality of life include:

1. Take-no-prisoners, cut-throat economy – and its effect upon both middle and working class Americans and jobless, hopeless urban and suburban youth
2. Continued threat of violence – global (Islamic extremists) and domestic (militias, extremists, including cyber-terrorists)
3. Disease – antibiotic resistance
4. Rogue regimes and extremist groups – especially in Latin America and other neglected regions
5. Transnational gangs and criminal organizations



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Global Security & Geopolitics

*Distribution of
military power*

There is a broad range of private-public partnerships with a division of labor and investments in security. With traditional security threats receding, major power military investments have leveled off. But in many countries, large, well-entrenched military contractors successfully promote pet programs that yield steady revenue streams. Some rogue military states still exist – for example, Nigeria and North Korea. Most large corporations manage their own private security forces, which are frequently referred to as “militias.” These have increased in size and influence as government security commitments overseas have been greatly scaled back.

*Global alliance
structures
(NATO, others)*

Global security is focused on economic concerns and traditional alliances such as NATO and ASEAN are much less relevant as their power erodes. The Davos Group has developed extensive ability to influence governments as well as corporations. The Group of 120, though possessing limited leverage, is an increasingly vocal counterforce to business interests in the developing world, with the potential to grow more powerful, especially on issues related to mineral rights, foreign investment regulations, labor rights and the environment. National and global coalitions of religious and civil/social organizations, some affiliated with or modeled on DEEN, are beginning to gain traction.

Numerous non-traditional alliances are emerging (or have formed) including, as an example, NGOs allying with corporations. There is no obvious military component to these organizations, while they are in their formative stages.

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

A real, enduring threat persists, but it has been mostly managed, since a low-impact 2012 biological attack. Following that incident, solutions were brought to market by private companies, with minimal government collaboration. North Korea has had a confirmed reliable stockpile of nuclear weapons with reliable delivery capabilities since 2025. Brazil has nuclear weapons and Venezuela is believed to be capable of producing nuclear weapons within a year. Widespread concern over control of Russian nukes remains. There is an acknowledged global black market in nuclear weapons.

*Comparative military
expenditures/
‘security dilemma’*

Military forces in 2030 reflect the complex, uneven, and in many ways unprecedented nature of global security issues. It is a relatively peaceful world and conflict is typically played out in economic competition. In some instances, corporate security spending on aerospace and defense industries is displacing national military spending, with many companies maintaining relatively large and highly skilled security forces trained in facilities security, civil unrest operations,

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policing, search & rescue, reconnaissance, and intelligence collection. Maritime security is at a premium and both governments and corporate entities are willing to pay the costs. There is increasing cooperation among the U.S military, regional powers, and global corporations to guarantee stability. However, there is also heavy-handed corporate influence on U.S. defense policy and activities. This has created the potential for conflicts of interest between U.S government policy and the agendas of private corporations, and occasionally their security forces overseas.

However, while the great power militaries are reduced in size, they have not been eliminated for several reasons. First, this is counter to the interests of powerful contractors, whose interest lie in preserving a healthy military-industrial complex with regular new projects and program. Militaries are insurance against an unknowable future and no one wishes to throw away an insurance policy that takes decades to build. Military forces maintain stability in regions with potential political or social instability and provide policy makers with their ultimate tool. Military purchases keep the aerospace and defense industries healthy. Finally, national militaries can bail out the corporate services should they get in over their heads.

Recruiting for most of the world's militaries reflects the uneven nature of security issues and the nature of the economy. Most ambitious men and women see their futures in business, and the military holds little interest. So enlisted recruits tend to be at one extreme or the other – people with so few abilities that they cannot “make it,” or people of high ability who need to save for college or wish to go into corporate security. The same tends to be true for officers. While there are always people with ability who simply want to serve, most with ability plan to go into the corporate security services and a “high-end” military education is the passport for that job.

Willingness for collective action

Among the nations of the first world and the business interests that increasingly set their agenda, there is significant willingness for collective action in self-serving areas. For example, international banks are cooperating ever more seamlessly to freeze terrorist assets, as this contributes to more stable markets. It also pre-empts any intrusive actions on the part of bank regulators.

Collective action for the purpose of promoting broader public goods beyond economic ones, however, is the exception. Among less developed nations, there is a growing support for collective action as manifested, for example, in the G-120. Where collective action does take place in the security realm, there is frequently a blending of private and public multinational resources.

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National Defense Strategy threats and challenges

<i>Traditional</i>	Decreasing – decreasing in likelihood, and decreasing consequences
<i>Irregular</i>	Increasing – increasing likelihood, and decreasing consequences
<i>Catastrophic</i>	Decreasing – decreasing likelihood, and decreasing consequences
<i>Disruptive</i>	Increasing – increasing likelihood, and increasing consequences

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

Traditional multilateral power and influence has been transformed. Global companies are more active and influential stakeholders in international organizations (IOs), such as the UN (including the IMO) and the IMF. In some cases the Davos Group exercises de facto authority over subject areas once controlled by IOs. The WTO is an extreme case; the Davos Group has absorbed a considerable amount of its influence. In other cases, global industry groups like the International Air Transport Association and the Institute of Electronics and Electrical Engineers, often working in collaboration with the Davos Group, manage rule and standard setting, and in some cases engage in direct negotiations with governments over tariff and technology controls, among other areas.

In some cases, the roles and functions of international aid organizations have been effectively privatized, with the increasing power and influence of private foundations and philanthropic organizations, including such names as Gates, Turner, and Slim.

On the other end of the influence spectrum, the G-120 nations and various “values” organizations, including DEEN, struggle to counter what they view as

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harsh and impersonal effects of global capitalism. Their efforts in the social service realm are successful; their efforts to influence public policy are much less so, though Deen, for one, is well organized and increasingly well funded to make an impression in select areas.

Intelligence/ counterintelligence (technology, sharing)

Spying, by one name or another, is commonly practiced by large corporations for competitive purposes and to ensure security over physical assets, technologies, and human capital. It is well known that companies collect large amounts of information on their competitors and on host governments. Some of this is legal, some is not; but most falls in the gray zone. Evidence of covert activities instigated by corporations has been publicized. These are rarely prosecuted to any meaningful extent in developed countries and never in the ungoverned spaces where many global firms operate (e.g., Africa and Latin America).

National intelligence has become increasingly focused on terror threats and for this there exists good cooperation among governments. With public resources for this kind of activity limited, intelligence operations tend to be lean, with increasing emphasis on technological solutions that replace costlier human assets. The rapid rate of technological innovation has made this transformation more possible.

Cyber-attacks are common and serious. Global corporations and government networks hosted by private companies are the primary targets. Increases in financial and human resources have been applied to extensive network security requirements.

World Economic System

Levels of stability and dynamism

The economy in this multi-polar world is corporate-dominated, with distributed global power and influence.

The world economy is strong but volatile, with overall fewer controls and regulations, and a low and declining number of safety nets. Pockets of protectionism exist where strong, politically influential firms or industries can pressure policymakers to close borders to competition. Firms are global, with sophisticated supply chains. The world is very entrepreneurial with efficient capital markets and readily available cross-border venture capital. International organizations push open markets and global standards when favored by powerful corporate interests. But most international organizations get out of the way, as power and influence is absorbed by the likes of the Davos Group.

Third World countries are either emerging or falling further behind as a result of protectionist barriers – either their own, or imposed by target markets. As in the debt-burdened 1980s, many poor countries are resorting to counter-trade in order

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to import essential raw materials and needed business inputs. New manufacturing models are emerging that could further marginalize low-wage countries.

Regional trade schemes like Mercosur in Latin America are increasingly irrelevant as individual member nations opt for one-off bilateral deals in this cut-throat competitive environment.

Reserve currencies

The U.S. dollar is still the primary reserve currency, with some early experimentation with a global electronic barter system. Fewer countries are pegging their currencies to the dollar.

International financial institutions

International financial institutions are increasingly influenced by global companies and their interests. The IMF is busy helping a wide range of countries manage free floating currencies and volatile reserve situations. The World Bank is deeply involved in keeping marginal economies afloat, but their resources are limited by stagnating government contributions. The Bank's lending base cannot keep up with the growing needs of marginalized nations. Only a small share of total lending is now dedicated to big infrastructure projects, in yet another instance where private financial markets have taken over.

Dominant players, regions, centers of innovation

Global companies are pervasive centers of power and influence and have to some extent supplanted (through influence behind the scenes) traditional governmental powers.

Innovation in science & technology reveals universities' and research centers' (physical and virtual) dependence on global corporate investment. Health care and bio-tech are large and profitable industries, especially with aging populations and chronic diseases. Increasing levels of antibiotic resistance have led to emergency situations. Tremendous autonomy has been ceded to private companies to develop new solutions, not just in the antibiotic realm. Classic aerospace and defense industrial strength still resides primarily in the "Organization for Economic Cooperation and Development countries." However, that industry is now affected by purchases from global corporations whose requirements influence weapons technology development.

There is no geographic center of gravity for innovation in dynamic areas like biotechnology and nanotechnology in this economically and technologically integrated world. A lot of the promising young talent is coming out of China, India, and Brazil. Young scientists and engineers are highly mobile and

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entrepreneurial, and can be found working in labs across the world. They have benefited from more effective border security and liberal immigration policies.

Extensive pan-Islamic investment (with petrodollars) has occurred in desalinization and arid-climate agriculture, for the benefit of the poor in North Africa and elsewhere.

Role/structure of transnational business and business organizations

Global business, now more than ever, is driven and judged by returns to stockholders. There is an uneasy acceptance of this fact among stakeholders and the public. Affiliated philanthropic organizations provide a kinder, gentler image, which sometimes represents a true commitment to good work but at other times is nothing more than transparent PR. High-profile global firms with powerful brands or significant retail profiles often are the subject of hostility in host markets (despite their unquestioned ability to deliver quality goods and services at low prices). Many of the most high profile of these are American in origin.

Private firms have acquired significant power to influence public policy at all levels and they exercise this with extraordinary skill. Large global firms tend to be plugged into the Davos Group and other private sector influence groups.

Firms tend to be very specialized and narrowly focused around areas of competitive advantage. Focus shifts almost continuously. There is constant churn, as start-ups get sold off or go under, companies shed unprofitable divisions, business units merge, and specific functions are suddenly outsourced or replaced by technology. Companies invest little in training overall except for select, highly valued individuals. This is because few employees stay for more than a few years.

There is no standard or typical model of a transnational organization. Firms operate through wholly owned subsidiaries, joint ventures, licensing agreements, local representatives, and outsourcing partnerships. In the IT and technology realms, they also operate virtually. Firms in natural resources tend to require longer planning horizons and more substantial organizations on the ground. Often such firms have their own security forces or effectively hire well-trained local militias to guard facilities and supply chains.

Dynamics of international debt

U.S. long-term debt has stopped rising and begun to gradually decline. Holdings have been reduced over a 10-15 year timeframe. Debt is increasingly structured around commercial holders. Very poor countries off the “global economic grid” have defaulted in many instances. The IMF and the World Bank cannot keep up with the economic wreckage, especially among many of the nations represented by

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the G-120.

Unemployment/ social fabric

Unemployment is low to moderate in the developed world, but the unemployed are in some cases becoming desperate, as there are minimal safety nets. The high churn rate of the economy limits time spent in outright unemployment (at least for the minimally skilled), but the next job is not necessarily a better one. There is also significant underemployment throughout the developed and developing worlds. In the left-behind, developing world, unemployment is astronomical, often above 25 percent and even over 70 percent in a few African countries. Third World street gangs have expanded and are increasingly mobile and networked.

Globalization

There is intense globalization across the wealthiest countries, and it is contributing to an erosion of the traditional model of nation-state sovereignty. Entities that do not globalize usually perish fairly quickly. Economic entities tend to exist at two extremes. They are either highly globalized or isolated, serving highly specialized markets. Globalization is significantly driven and shaped by global corporate interests, working through nation-states, international organizations, and their own philanthropic affiliates.

International Trade

Merchandise and services trade is generally free and liberal, with few tariff and non-tariff barriers. However, the cost of trade can be high in some instances as a result of supply chain vulnerability to any disruption (e.g., theft, diversion, attack, work stoppage) and sporadic policing of the global commons (particularly where corporate interests are not engaged, or are in dispute).

Where the WTO failed to advance the free trade cause, the Davos Group has pushed ahead. Some significant exceptions exist where corporations deem it in their interests to keep competition out of their local market. In one interesting case, Japanese car manufacturers joined their U.S. counterparts in successfully pressuring U.S. regulators to prohibit a hot, new German vehicle from being sold in the U.S., presumably on safety grounds.

Governance/ Quality of Governance

Predominant ideology

There is a new calculus of power, based on economic strength, transnational companies, and strategic alliances. Governments are unable to provide social safety nets at anywhere near the levels of 20 years ago.

Global market capitalism dominates, but is challenged by the rise of increasingly unified coalitions of religious and ethical societies focused on values. This group,

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whose most articulate spokesperson is the founder of DEEN, espouses trans-cultural and trans-religious values, which they often couch in direct opposition to the priorities of global business. These values include compassion for the needy, morality in personal conduct, social justice, and precedence of social aims over profit.

Maritime governance has all but failed in the waters surrounding weak and failing states except to protect key trade routes.

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

Global companies and private foundations (e.g., Gates, Turner) begin to eclipse traditional sources of international aid.

DEEN's Islamic relief organization has greatly expanded and allied with other concerned groups, to advance health and social development – including in the U.S. (to offset the negative image in the U.S. created by terrorism). This helps fill the gap created by the withdrawal of official international and U.S. assistance. The new Davos Group has absorbed much power and influence previously held by the WTO and the UN, including the IMO. It is setting rules and standards for corporate activities in the global commons, among other areas. The G-120 organization works to represent competing interests of Third World countries. Moderate Islamic countries (e.g., Indonesia) sponsoring DEEN are also participating in both the Davos Group and the G-120. DEEN promotes moderate politics, education, health care, good governance, and economic progress everywhere, including the developed world. A charismatic leader coming out of Egypt was a catalyst for DEEN expansion.

Presence/absence of an architecture for global issues management

There is only a limited architecture for managing global issues beyond those directly relevant to commerce. This architecture can range from extremely formal contracts among corporations, to standard international agreements, to extremely informal handshakes on the golf course. In the G-120, cartels have developed to capitalize on captive markets. The U.S. may not always be invited to the conferences it thinks it should attend. A combination of international organizations and interest groups (particularly the Davos Group and DEEN) predominates, as discussed above. Consequently, the tragedy of the commons is accelerating in many areas.

Failed states/Balkanization/ungoverned spaces/mutual separation

Many countries that are unable to compete globally or whose populations suffer from disease, hostile environments, weak institutions (especially water shortages), or loss of aid – fail. International rescue operations are rare and challenged by capacity constraints. Ungoverned spaces remain in parts of sub-Saharan Africa,

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North Africa, Southeast Asia, and the Caribbean/Central America. Migration pressures from these areas have challenged border security programs of developed countries, including maritime borders.

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

In many ways non-traditional global actors have become the traditional actors. Global business groups, most notably those organized under the Davos Group, have achieved unprecedented power and influence – in the U.S., in other nation-states, and in all of the significant regional and international bodies. The ascent of Davos and the like was enabled by their growing economic power and, in many instances, by the failures of nation-states and multilateral organizations to solve pressing problems of the day. In addition to the Davos Group, global industry associations help fill the void created by the reduction of state activity in regulation, rule creation, and compliance. They use economic power to enforce compliance. This helps limit the potential threat from the underworld, pirates, and rogue actors. But this more libertarian environment creates opportunities for exploitation, especially by actors outside the system who have no stake in its success.

Counter-forces are emerging in opposition to what is perceived as “plutocratic capitalism.” Some are grassroots organizations that harken back to Ralph Nader’s early consumer advocacy; others are larger and more ambitious organizations, with global reach. The most dramatic example of this is the moderate transnational Islamic organization called DEEN. Other coalitions composed of church and civil society organizations have been inspired by DEEN’s message and success. New coalitions are taking shape, often in close collaboration with DEEN. Initially in predominantly Muslim countries and increasingly elsewhere, DEEN has created a seal of approval to influence the activities of global corporations. DEEN is also involved in global philanthropy, filling the gaps in a world heavily shaped by global capital.

*Borders: nature
and permeability*

International borders are highly permeable, in terms of goods, services, capital, information, and people. New security technology and processes enable low-friction passage of autos, people, and goods across borders.

Private companies have negotiated new corporate “borders” or “zones” that serve their interests in emerging markets (sometimes bridging borders).

*Charismatic leadership
(source of)*

In many ways, the world is hungry for inspiring, charismatic leadership. The major sources of charismatic leadership are the new values-based organizations and coalitions, the most globally prominent of which is DEEN. Other religious

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leaders are rising to prominence as well, as they offer an alternative life view that's welcome in certain if not all sectors. A charismatic version of Ralph Nader is making small waves in the U.S. The Davos Group is not without charismatic personalities, but the public is growing wary of their message of individualism and material success.

Terrorism

While traditional terrorism has receded, episodic violence is a pervasive concern. People have learned to live with both terrorism and violence, however imperfectly. Whatever instability terrorists do cause tends to be both local and short in duration.

Extremist elements, some but not all Islamic, are operating all over – supported by those not thriving (or worse, left destitute) in a hot, competitive economy. But they tend to be small, fragmented organizations and do not undermine stability. In the Middle East, in particular, the efforts of DEEN have helped significantly to deter young people from joining the ranks of terror groups.

Cyber-threats are persistent and escalating.

International Arms Trade

Trade in conventional arms among corporate security militias and nations is thriving and leakage is common. Black-market nuclear arms and knowledge sales are also suspected. Russia has become the center of a significant illegal international arms market, to include everything from conventional weapons to WMD. "Death R Us."



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International Crime/Illicit Economy

Drug trade is down, influenced by select decriminalization and developments of designer drugs that stay one step ahead of regulators' abilities to control them. There is some trafficking in people relating to the sex trade and unethical labor practices. Intellectual property theft is escalating. Protection payments in more desperate, remote areas are routine, as a cost of doing business.

The Global Commons

The Commons appear to be up for grabs. In reality, they are not, but business groups are writing the rules for their exploitation. The main consideration is economic benefits, not conservation, resulting in a hybrid of trade and investment regimes. The opening of the Northwest Passage drove debate over resources (oil, fisheries, etc.) and access, involving Canada and Russia. Global companies are pressing the Davos Group (as opposed to the UN) to help gain liberal access to commons, but with clear standards.

Use of space: There is intense commercial use of space, leveraging Davos-set standards and regulations and driven by a proliferation of private space-launch companies. New applications for research abound, including pharmaceutical R&D, climate control, and solar energy capture. There are space-based learning and space research institutions as well.

Energy

Energy prices are moderate to high. Oil is currently selling for about \$85 a barrel in 2007 dollars (an average increase of 1.8 percent per annum over the past 20 years). Rising global demand has been somewhat mitigated by alternatives (including nuclear, ethanol, hydro-power, clean coal, wind, LNG, and solar), market-driven conservation, the discovery of new deep reserves, and reduced regulations. By 2030, alternatives represent a significant share of total energy supply.

Philanthropic groups are supporting R&D into environmentally friendly alternatives (wave/current/tide energy and geothermal) that show good potential for significant return on investment.

Agriculture/Food/ Aquaculture/ Fisheries

Demand is rising globally, but is heavily dominated by agribusiness; capital-intensive agriculture produces adequate supplies. Major breakthroughs in crop genetics have been widely accepted in recent years, increasing yields, disease resistance, and water efficiency. Market-oriented agriculture has resulted in a sharp drop in the total number of farms.

The demand for cost-effective alternative fuels has led to increasing industrial

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demand for sugar- and corn-based fuels (ethanol, biomass, etc.)

Controversy continues over the vulnerability of corporate, GMO agriculture to disease and crop failure because of reduced biodiversity. Due to limited oversight, there are growing concerns that unforeseen negative consequences could result from the manipulation of crop genetics.

U.S., EU and Japanese farm subsidies have been selectively curtailed intensifying the trend toward fewer, highly capitalized, higher-yield farms that coexist with a relatively small number of organic or highly specialized producers. Smaller producers in Africa and elsewhere, unable to compete because of capital constraints and first-world trade barriers, are shut out of trade beyond their local markets.

Globally, natural fish stocks have declined sharply, partially due to the escape of genetically modified farm-raised fish into wild fish populations. To replace natural stocks, there is large-scale corporate aquaculture, highly automated facilities that virtually run themselves. The corporations, with close relationships with universities and research institutions, are able to produce protein in a cost-effective manner. Japanese corporations have been the most aggressive and innovative developers of new farm technology. Farmed fish populations tend to be close to markets (and within the EEZ of home nations), except in cases of specialty fish (e.g., bluefin tuna), where market prices justify high production and transportation costs. Among the concerns around this industry is the potential to damage or diminish biodiversity.

Water, Minerals, Other Critical Resources

Access to clean water is a constant challenge. Desalination breakthroughs, funded by DEEN research, are helping many countries in arid and semi-arid climates.

New technologies are increasing demand for strategic minerals, many of which are concentrated in small developing countries, especially in sub-Saharan Africa. A lack of any strict environmental regulations is leading to strip mining and resulting contamination.

The Northern Sea Route has been open for over 20 years and is now used in all seasons. It has not, however, reached full potential due to continued bickering and mismanagement by Russian businessmen and bureaucrats alike. The Northwest passage opened to commercial traffic for the first time over 10 years ago and is now open 7 months per year with the help of icebreakers.

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Global Health

While an antibody-based vaccine for HIV is providing significant protection to affluent populations in America and Europe where the B subtype of the virus is dominant, the rest of the world, particularly Africa, continues to suffer from a continuing epidemic. Ominously, the collapse of governmental support of behaviorally based HIV-prevention programs in the United States, along with increasing migration from economically devastated regions in Africa, the Caribbean, and Russia, have recently led to an increase in the circulation of other subtypes. This has been further exacerbated by the new subscription services being promoted with continual updating of vaccines to deal with seasonal influenza and other diseases. Furthermore, the problem of antibiotic resistance has reached critical levels, and even the highly competitive biotech sector has not succeeded in developing a post-antibiotic-era solution. In the Islamic world DEEN is sponsoring health clinics for marginal populations and reaching out to AIDS victims, collaborating with Western church groups, NGOs, etc., to advocate greater health reporting and transparency while continuing to advocate monogamy and social responsibility. Formerly tropical diseases are increasingly occurring in “temperate” zones.

Environment

A wide range of environmental challenges, including heavy metal and industrial pollution, deforestation, flooding, and landslides, have arisen with seeming increasing frequency. A global consensus emerges that human activity is causing global warming, but there is no groundswell of action. Conservation is in play, largely driven by market forces, and only when profits can be made. In the affluent countries, inaction is justified by anecdotal reports that the situation is improving with hybrid vehicle technology, reduced carbon emissions, greater conservation, biological remediation for oil spills, etc. Some fast-growing developing countries (e.g., China, India) experience drastic air and water pollution. Due to the high rate of atmospheric warming, the Northern Sea Route is now generally open throughout the year and the Northwest Passage opened in the summer of 2018 and its season is inexorably lengthening.

Global Climate Change/Natural Disasters

The environment is very challenged, owing to strong global economic growth and the absence of a global consensus around hydrocarbon emission curbs, conservation, etc. Market pressures, including high energy costs, force conservation and encourage the development of alternatives.

The global warming trend has led to opening up of the Northern Sea Route through most of the year and, increasingly, the NW Passage to partial year transit. Sea levels are continuing to rise.

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Where there was a profit to be made, corporate groups have contributed solutions to damage and problems resulting from more intense tropical cyclones and storms as well as drought and flooding events. They are also contributing to a prevention infrastructure where there's a business case to be made.

In 2028 a small part of Greenland's ice sheet dropped off and raised the water level almost two inches. This had a bigger impact than most had expected and caused near panic among the environmentalists. While further large sections of the ice sheet have not yet dropped into the ocean, it is considered only a matter of time.

Demographics/ Migration

As long predicted, the demographic structure of populations in rich countries has grown imbalanced, with many more old people relative to the younger, working populations. The population challenge has been attenuated somewhat by liberal immigration policies, but only modestly and not consistently across countries. (Countries with high unemployment are more restrictive.) With both corporate benefits and entitlement programs cut back, Americans are staying in the workforce longer (thanks in part to performance-enhancing pharmaceutical products).

Population growth in many poor countries is out of control, notwithstanding disease, crumbling health-care systems, acute economic uncertainty, and the real risk of starvation. Globally, there is strong pressure for migration to escape adverse economic and/or environmental conditions (especially away from low-lying areas prone to flooding due to rising sea levels). Refugee flows challenge political and social stability in some cases.

Maritime migration continues to be problematic in North America and elsewhere, including Europe.

Science and Technology

Leading sectors

Low government controls and a high degree of faith in the efficacy of technology lead to a number of hot fields, including biotechnology, energy, IT, nano-technology, materials, robotics, lifestyle pharmaceuticals, security (including and especially cyber), and travel and recreation (including space tourism).

*Government and
private funding*

Government funding continues to wane while corporations focus funding on applied research, heavily business-driven. Basic research has nearly ceased to exist, except where supported by foundations and other private entities through select private universities.

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<i>Leading nations/regions</i>	The U.S., China, and India are technology leaders. Russia is showing some early signs of regaining stature as a technology innovator by using oil revenue to invest in education, original research, and technology alliances. There have been some recent U.S.-Sino educational and corporate exchanges, including in space.
<i>Technological transformation</i>	The first human being was cloned in Korea in 2012, with combined Korean and U.S. corporate investment. The string of breakthroughs in genomic therapies and technologies, which had its first commercial applications in 2015, has continued and accelerated. These advances are starting to realize the promise of revolutionary effects in the pharmaceutical, health care, and insurance industries. Pressure has built on the FDA and global regulators to accelerate approval, and otherwise ease regulations.
<i>Attitudes, ethics, values due to science and technology investments</i>	<p>Major moral and ethical debates abound around eugenics, and have joined ongoing debates around cloning and the efficacy of various applications of widely available genetic information.</p> <p>With the advent of superior genomics technology, affluent parents are now able to “order” children with a high “genetics-bond rating.” Sensing a decline in family and values, religious organizations and alternative philanthropic organizations are mobilizing to counter this incipient option.</p> <p>While DEEN supports application of S&T to relieve human suffering and bolster humanity around the world, they are resisting “children to order,” partly because of the skew to the wealthy.</p>
Global Education/ Distribution of Knowledge	In the U.S. and to a lesser extent globally, delivery of education has become much more complex. Many communities now contract out their education to corporate entities that promise more efficiency and more tangible results. Accredited on-line degrees are now offered by a number of universities, and private companies are offering specialized curricula on-line that lead to hybrid “degrees” that are accredited (and prized), but not in the traditional hierarchy of bachelors/masters/PhDs.
Global Media	Alongside traditional news outlets there is a growth of highly subjective media sources that provide tailored, albeit non-objective, news to niche market segments. Automated, instant translation of global news is widely available and accessible on a wide array of portable devices.

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Large, powerful global media organizations have achieved considerable market consolidation with a further blurring of news, entertainment, and information. Communication systems are increasingly fused – it is difficult to obtain a navigation system without a communications link, for example.

The global values divide is clearly mirrored in the global media, where there are outlets clearly serving the interests of global business and others targeted directly at the “other” world. DEEN has its own channel, as do many other values-based organizations. These offer a very different, and often critical, perspective of developments in the world that they view as solely profit-driven.

G-120 media outlets routinely criticize Davos-related organizations and initiatives, and broadcasts are becoming increasingly strident. DEEN supports elements of this criticism when it supports their goals implicitly or, on occasion, explicitly.

Religion

The dominant religious dynamic of this period is one of increasing unity and social activism. In Islam, Christianity, Judaism, Hinduism, Buddhism, and other religions, there are growing and increasingly organized constituencies who are focused on the common values of all world religions and on giving these values increasing power and impact. The most surprising and best funded of these is DEEN, but there are many others who are increasingly working together to deliver social services and to criticize what they see as the morally empty values of global capitalism. Their leaders are articulate and are finding ever-larger audiences.

This increasing cooperation and communication among major world religions has taken place to ameliorate effects of global capitalism and to fight jointly against poverty and disease. These organizations are loosely confederated, but the media refer to them in the aggregate as “the Values Coalition.”

Global Transportation

There has been massive, mostly private investment in a new, secure transportation infrastructure, where justified by economic advantage and market conditions. In affluent countries, air travel is radically distributed, with “air taxis” providing cost-efficient, point-to-point transportation, largely for affluent corporate and private customers.

There has been an emergence of a dual maritime transportation system – a highly efficient global system serving Davos countries, and a less-efficient, somewhat outdated system serving selected, less lucrative G-120 markets.

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Breakthrough technology has enabled more high-speed transportation systems including maritime components (200-400 miles per hour).

Infrastructure

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

There has been an increased role of the private sector in infrastructure development, operation, and maintenance (where there are profit incentives).

Maritime infrastructure: Overall, this is a well-developed, highly automated, global trade infrastructure, where large, affluent populations are being served. Infrastructure tends to be highly efficient, with just enough capacity to meet demand (rather than to develop expensive extra capacity). Most ports are privately owned. Where cost effective, owners invest to protect exposed shore facilities from rising sea levels, coastal erosion and increasingly frequent and intense storms. There has been a tendency to a more distributed port system, with huge sea-based trans-shipment centers. The new maritime transportation infrastructure is also driven by fish-farm market needs, with on-site processing capabilities (but with a paucity of environmental regulations to deal with byproducts).

Industrial/manufacturing: Tends to be private and efficient where it still exists (much of the low-value, marginal infrastructure from around the turn of the century has disappeared), with efficient toll systems tied to users. Inter-modal connections are efficient and reliable.

Privately owned desalination plants have provided ample fresh water to select developed nations around the world; weak and failing states are still struggling to provide fresh water to the masses.

Energy: A lot of new infrastructure (generation & distribution) needs are driven by development of new sources and energy alternatives (including solar, geothermal, bio-fuels, offshore wind, etc.). Infrastructure tends to be private, especially in richer countries.

Undersea: There is an ever-increasing number of undersea pipelines as land access has become more scarce, expensive, and vulnerable especially due to rising sea levels.

Low earth orbit transportation exists for transcontinental movements of people and goods.

Strength/Weakness of Maritime

Large world trading nations, as encouraged by Davos, have developed a system that maximizes the efficiency of the global supply chain. Legal regimes have

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Legal Regime

evolved to maximize the efficiency of this global supply chain, assuring reliability, security, and predictability. There are many more important customers and influencers in the IMO now, including China. Flags of convenience are little used, as regimes have become more uniform and coordinated. G-120 nations find it a huge struggle to come up to rich country standards in maritime trade. They tend to interact among themselves less formally, often in black and gray market commerce. Parallel markets exist both within and between many countries.

Piracy is widespread, especially along trade routes where “left behind” nations struggle with survival. Piracy is defined more by cargo diversion (e.g., command and control takeovers) vs. boarding and forcibly removing cargo.

Global Culture

There are strong forces and counter-forces in all of the major markets of the world. What some see as a dominant corporate culture that is homogenized and limited by commercialization is being challenged by grassroots and alternative cultural forms. Today, this is all nascent, but is being closely observed.

In the Arab and Muslim worlds, there was a backlash against the old Al-Qaeda movement and the extremists face increasing competition and even condemnation from the more moderate DEEN movement. Multiple cultural zones, focused on traditional or historic values, have become more visible again (e.g., Arab Muslims vs. Asian Muslims). Despite the success of the pan-Islamic DEEN, many Asian Muslims resent their perception of second-class status in Arab Muslim countries, leading to increasing discontent.

In the developed world, narcissism runs rampant, with nearly everyone looking out for themselves.

Poverty & Development

Third-World countries are either emerging or falling hopelessly behind. Developing countries are also suffering from acute resource shortages and new manufacturing models are emerging that could further marginalize low-wage countries. In the left-behind developing world, unemployment is astronomical.

Governments of many countries that are unable to compete globally or whose populations suffer from disease, hostile environments, weak institutions (especially water shortages), or loss of aid – experience varying degrees of anarchy. International rescue operations are rare. Ungoverned spaces remain in parts of sub-Saharan Africa, North Africa, Southeast Asia, the Caribbean, and Central America.

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Telecommunications/ “Virtuality”

The cyber-infrastructure has become extremely robust, with breakthroughs in cognitive technologies. The ongoing risk of cyber-terror remains the major cloud over future developments.

U.S. Drivers

U.S. National Security Position

The U.S. Department of Security (DOS) resulted from DOD’s merger into DHS. Since the U.S. has no peer competitor, there is no need to have a large standing force. The U.S. military has pulled back from most foreign bases except the Navy, who are still forward deployed in select locations. Overall, the military is more niche-like; it is designed to deal with specific challenges. Lift capability is very important across the board. “Get there, get back home” is the operative mantra.

Civilian oversight of the military is increasingly focused on return on investment. This is driving a tendency toward mission mergers and streamlining. The Defense component of DOS keeps getting scaled back and is looking for other clients. In some states, state militias provide disaster response. Some ex-armed-services people have joined state militias (when they couldn’t get Blackwater-type jobs).

DOS maintains key core capabilities in security and law enforcement and, to a lesser extent, homeland defense. Port security is a primary mission. The DOS also performs specialized missions not provided by corporate militias.

The national government is encouraging privatized landside and maritime security. State and federal authorities provide limited oversight/licensing of these services. Military training is the most common career path into high-end security firms like Blackwater. Career service personnel are a lot less common (but there are still a small number of career paths to feed leadership ranks).

Security lines are increasingly blurred – it is not always clear who owns what in the security realm. Private security firms are rising, filling power vacuums as they arise. A stable security situation is good for the economy, good for U.S. profits. National security strategy is economically driven.

Intelligence is outsourced to private corporations; they provide instantaneous situational awareness in a secure, exclusive environment to the U.S. government. Private companies market information and intelligence that they collect and develop.

Posse Comitatus

Posse Comitatus is unchanged from 2007 military policy.

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Global Perception of the U.S.

The perception is mixed, but on balance it is negative. The U.S. is admired for its technological prowess but resented for its power and influence. The same holds true for U.S. companies. The world has a love-hate relationship with U.S. retail products. The U.S. (or its corporations) is seen as a principal architect of the Davos Group, which over time has developed an overbearing reputation (powerful, influential, secret, and cut-throat). The withdrawal of the U.S. from the management of international issues has led to a perception that it is “shirking” its responsibilities. Americans are broadly seen as embodying opportunism and aloofness from the world’s problems. Given the prevailing libertarian, “anything goes” attitude of a corporate-driven American society, the moderate Muslim movement views the U.S. as aloof, uncaring, arrogant, and morally permissive.

U.S. Economy

*GDP growth;
key growth sectors*

The U.S. economy is enjoying high growth, and has learned to cope with a relatively high degree of volatility. Industry leaders include pharmaceuticals, media, bio-technology, security services, energy services, and high-tech agriculture. High-end, white-collar jobs prevail.

For a period of three to five years after the 2012 collapse of the housing market, there was a decrease in consumer demand for petroleum products due to significantly reduced purchasing power. Hybrid vehicles and more efficient and cost-effective technologies (nuclear, bio-chemical, etc.) gained in popularity.

Following the global consensus on global warming attributed to human activity, the focus on newly discovered alternative energy sources was revitalized. These sources have become cost-effective, slowly cutting into conventional petroleum-based markets. This has helped ameliorate the demand-driven increase in oil prices.

*Government
economic policy/
business regulation*

The current tendency is to minimize federal regulation. Corporate interests rule the day. The prevailing public preference is for fiscal and tax-based incentives over direct regulations. There has been no meaningful, sustained campaign finance reform. The only major forces influencing good behavior are consumer watchdog associations. But there is no question that private corporations exercise unprecedented power over legislation and rules at all levels of government. This influence has long since ceased to be just American or strictly exercised in Washington. Indeed a “Global K Street” has emerged.

*Availability of capital/
investment climate*

Capital markets are highly efficient, with a heavy concentration in private hands. Overall, there is ample investment capital. Public and multilateral investment is

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limited.

Employment

Fewer and fewer lifetime employment opportunities remain in the private sector. Organizations recognize transient loyalties within the workforce and no longer expect or reward long-term commitments (except for a very few of the best and brightest). Since the public sector cannot compete for labor based on price, it offers long-term employment stability to attract a portion of the best and the brightest (with mixed results).

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

There has been an increased role of private sector in infrastructure development, operation, and maintenance (where there are profit incentives).

Maritime infrastructure: Overall, the U.S. trade infrastructure is well developed and highly automated where large markets (or their supply chains) are being served. The infrastructure tends to be highly efficient, with just enough capacity to meet demand (rather than to develop expensive extra capacity). Most ports are privately owned. There is a tendency toward more distributed port systems, with huge sea-based transshipment centers. Where cost effective, owners invest to protect exposed shore facilities from rising sea levels, coastal erosion, and increasingly frequent and intense storms. The new maritime transportation infrastructure is driven in part by fish-farm market needs, with on-site processing capabilities (but with few environmental regulations to deal with byproducts).

Industrial/manufacturing: Tends to be private and efficient where it still exists (much of the low-value, marginal infrastructure from back in 2007 has disappeared), with efficient toll systems tied to users. Inter-modal connections are efficient and reliable.

Privately owned desalination plants have provided ample fresh water to the arid West.

Energy: A lot of new infrastructure (generation and distribution) needs are driven by development of new sources and energy alternatives (including solar, geothermal, bio-fuels, offshore wind, etc.). Infrastructure tends to be private.

Undersea: There is a growing network of offshore pipelines including oil and LNG pipelines. More offshore areas are open for energy development (oil, wind, etc.) in the Gulf of Mexico, northern Alaska, etc.

The U.S. is among the leaders in low earth-orbit transportation for trans-

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	continental movements of people and goods.
<i>Trade and investment (FDI) relationships</i>	The global trade and investment environment is broadly but inconsistently free and liberal. The environment is heavily influenced by the needs and interests of large global companies who shape the rules and policies that govern trade and investment through the Davos Group. Many regional trading relationships, including NAFTA, are still in existence but have been degraded by exceptions and revisions over time. The lack of transparency in all of this represents a powerful entry barrier for many new firms (not affiliated with the Davos Group), as well as for emerging nations trying to break into the cut-throat global marketplace.
<i>Fiscal and monetary policies and status</i>	Regressive taxes on consumption displace traditional revenue sources like income taxes. The U.S., after confronting strong pressure from corporate powers, has managed to work down its debt to more globally acceptable levels. To achieve this, the federal government has been downsized, entitlements have been slashed, and the strong economy has provided sufficient tax revenues despite a reticence to increase rates.
<i>Resource dependency</i>	With the exception of water and energy, people do not typically think in terms of nations being resource dependent – corporations are resource dependent. Generally natural resources are not the constraining factor of economic growth. Starting in the year 2011, there was a broadened series of financial incentives encouraging all new vehicles purchased in the U.S. to be outfitted with hybrid technology. Nuclear power plants are coming on-line across the U.S., tempering dependency on fossil fuels.

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U.S. Political Landscape

Political trends in U.S. (fragmentation, unity, third parties, civic engagement) and campaign finance reform

“Laissez faire” attitudes prevail and there is a rise in libertarianism. Multiple consumer advocacy groups are trying to rally the public against the backdrop of a well-funded and politically connected corporate machine. The U.S., along with other governments, faces increasing pressure from international business interests, usually aligned with Davos. In some corners there are sparks of renewed nationalism and anti-globalization movements. Labor unions weakened substantially during the first two decades of this century, with a steadily diminishing role. Recently, they have been renewing efforts to organize and, though not yet broadly successful, once again attracting new adherents. Some see the growing values coalition as a potentially powerful ally for a new labor movement.

There has been no campaign finance reform despite the efforts of advocacy groups to clean up the system; corporate influence has become more pervasive and non-national. Limits on campaign contributions are effectively eliminated.

Civil liberties vs. security

Technological advancements threaten traditional civil liberties and privacy protections, though many areas of privacy have been willingly traded away by people and companies in exchange for greater convenience and time-saving efficiency. While security to prevent crimes such as identity theft is a consideration, it is not a huge concern. HIPA has been repealed. Privacy is an expensive, sometimes time-consuming, luxury.

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

All governments have gotten smaller, with states losing the most power and local governments changing the least. The federal government has lost much of its independence of action.

In efforts to fill the gaps left by a weakened government (unable to provide and pay for basic social services), charities have grown. For example, DEEN, often allied with coalitions of religious and community organizations, has initiated a small network of social service relief organizations, to serve urban populations lacking safety nets.

Isolationism vs. engagement in the world

Most organizations are globally engaged, whether in work, education, commerce, travel, or media.

Locus of political power

The locus of political power is concentrated within corporations. The application

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of this political power is constantly shifting – it is hard to nail down where the power is at any one time.

U.S. Society

Public perception of military careers and of government

Public perception of government ranges from neutral to negative. The wealthier segment of the population views the government as ineffectual and somewhat irrelevant. In the lower socio-economic sectors, however, public perception of government is very negative as it is no longer the primary source of social services (residual effect of a weakened property tax revenue stream). The private sector provides a nominal level of services, often in partnership with the public sector, but only as their interests dictate.

The U.S. military is the exception to this perception. Stability of employment, access to education, and marketability of security/defense acumen make the military attractive to college graduates to become officers. DOS has had a difficult time retaining high performers who often leave in favor of higher paying corporate jobs.

National loyalty and identifications

There is limited loyalty, allegiance, and identification with the U.S. in a classic patriotic sense. Higher affiliations with supra-national organizations (e.g., global corporations or DEEN). At the other end of the spectrum, people seek attachments to much more local organizations (schools, community organizations, churches, charities, citizen militia groups, gated communities, etc.), providing more emotional connection and greater sense of belonging.

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

There has been a marked decline in traditional, long-term employment relationships, especially in manufacturing. Fragmentation of society is attributed to harsh economics, withdrawal of social safety nets, depersonalization of many social interactions, and widespread alienation.

The disenfranchised, from white supremacists to Ted Kaczynski types to radical cyber-terrorists, have been increasing radicalized.

Overall, there is a marked greater tendency to random violence at all socio-economic levels, but especially among the more economically desperate and alienated.

Gated communities have proliferated, due to a high perception of threat. Voluntary, self-help groups, often religious based, have geared up to offset the hard edges of a market-driven world. There is a wide range of types of

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organizations ranging from inner-city soup kitchens to mega-church community centers.

DEEN has partnered with the World Council of Churches since 2015, when they set up the first U.S.-based office to provide social services to under-served populations in Detroit, MI. They are now starting to be found in more and more cities around the country.

Decriminalization of marijuana across the U.S., coupled with domestic accessibility to designer drugs, undercuts demand for illegal drugs (leading to profound ripple effects on narco-economies). Pharmaceutical companies began marketing a rapid succession of drugs that mimic the psycho-physiological effects of black market drugs. Regulatory controls have been unable to keep pace with technology, resulting in an increasing array of “legal” drugs that stay ahead of the regulators. On the positive side, there is less criminal activity, and public funds can be redirected from interdiction activities. There are, however, many negative social and economic effects of drug use – e.g., job instability.

Education

Corporations begin cultivating their own workforce pipeline through privatized education systems (e.g., GE-certified PhD) sometimes partnering with, sometimes competing with, and sometimes supplanting traditional colleges and universities. However, there are strings attached – students of the corporate system are committed to their corporate sponsor for a set period of years to avoid the cost of the education converting to a debt. U.S. armed services have evolved into important training grounds for people interested in corporate security careers. Public education is a very mixed bag, from extremely good to virtually nonexistent (“Most Children Left Behind”).

Health care

Tension abounds within the private sector to ensure low costs while recruiting and retaining the best and brightest workers in a high-turnover workforce. Loyalties to companies are matters of convenience, as employees “shop” for the best packages. Criteria for hiring and insurance coverage include genetic make-up and personal medical histories. Healthy applicants with no dangerous predispositions often highlight their genetics as part of their resumes. Outside of limited services provided by charitable organizations, there is no safety net (e.g., welfare, unemployment insurance). Many critical public health services have been privatized, including water sanitation, restaurant inspections, and other public safety programs. Provision of these services is usually fee-for-service and quality varies dramatically.

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

Baby-boomers, politically well networked and organized, protect their interests even at the expense of the rest of society.

The nuclear family structure has been further weakened by high mobility to urban centers for financial security. At the same time, facing a decline in publicly available social services, multi-generation families have become increasingly common. (The retired baby-boom generation is now also called on to provide financial support.)

Religious or cultural affinities

The masses are looking for spiritual affiliations that are more localized. Churches/synagogues/mosques/temples are continuing to expand and grow in popularity. Some people search out small congregations or communities, in contrast to large, impersonal corporations that wield enormous power and influence in society. Some of these communities are neighborhood-based or gated community-based or virtual. For others, mega-churches respond to the need for community and social services that in earlier times had been provided by the government. Many of these larger churches are run almost like businesses.

In an effort to retain the most highly skilled workers, some large corporations are providing on-site places of worship to help fill this religious need while freeing up additional work hours during the day.

Leisure activities/tourism

Leisure time is increasingly limited for most. Work-leisure tends to be fused; it is hard to escape work and work trumps all. But fewer families can afford time or money for multiple week vacations. Only the most affluent and wealthy own boats. Boat rental is more common. Ownership and operation are essentially unregulated activities (although some private owners enforce their own rules based on business considerations).

There is space travel for a limited, very wealthy market.

Virtual leisure and home entertainment are ubiquitous and cheap but not a substitute for the real thing. Certified “safe venues” provide lower-risk outlets for plays, concerts, and sporting events.



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Regions and Key Countries

Canada

Economically, Canada is doing well, piggybacking on the strength and success of the U.S. The Canadian social and business culture has hardened as well, but not to the extent of its southern neighbor.

Canada has a new and burgeoning trade route with the increasing use of the Northwest Passage, allowing ships to travel from Asia to Europe through northern Canada for part of the year. The Northwest Passage is considered an international strait after Davos pressured the Canadian government not to exercise national sovereignty. Canadian businessmen also remain keenly aware of the magnitude of the competition that could come from Russia's Northern Sea Route if they were ever to manage its use efficiently. There is growing competition for providers of ice-breaking.

Canada's rich soil is attracting new investment and land prices are rising with the consensus that the growing season will continue to lengthen.

Mexico

The last decade has been difficult for Mexico. It has struggled to compete in the global economy and has been burdened by a shaky infrastructure, an aging population, and acute resource needs, especially water. A few dozen large Mexican companies are world class and healthy, but their success alone is not enough to keep the economy growing at a healthy clip. Economic reform stalled long ago, and it's been replaced by a form of crony capitalism reminiscent of the 1960-70s, but without the economic boom that accompanied that era. At best, Mexico is muddling through, but barely. Discontent is rising and politicians are turning increasingly radicalized. Undocumented emigration to the U.S. remains an important safety valve and it threatens to grow out of control as Mexico's economic malaise worsens.

Central America & Caribbean

Significant economic distress is fueling radical politics and anti-Americanism. Some of this frustration is being directed at global companies, many of which have successfully cut sweetheart deals with host governments. This has sparked outrage among many civil society organizations. At the same time, local business elites are benefiting financially and socially from close global business relationships.

Ex drug gangs have diversified and are now involved in people smuggling, arms smuggling and trafficking, and "protection services" for local and transnational companies.

After Castro's death Cuba started to open its economy, but after some rapacious

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experiences with some unsavory corporate buccaneers, it closed down again. Its economy is one of the weakest in the Western Hemisphere.

South America

Tension is growing between Venezuela and Brazil. Brazil and Argentina have graduated from the G-120, which Venezuela is currently leading. NAFTA and MERCOSUR are increasingly irrelevant. Brazil has emerged as a strong global economic power in the region. Venezuela is experiencing increased physical turmoil including rioting among pro-nationalists groups. They are a destabilizing agent in the region, as well as an arms broker.

Moderate states are under increasing pressure by growing left-wing groups, and are being encouraged by a populist anti-American leader in Venezuela. Brazil has joined the nuclear club and Venezuela is believed to be capable of producing nuclear weapons within a year, but to date there is no evidence they are doing this.

Although a smaller player, DEEN is helping to fill voids, showing up in largely Middle Eastern-populated areas.

Argentina and Chile are staking claims to the recently discovered natural resources in Antarctica.

North Africa & Middle East

A Palestinian state was established in 2013, though there have been some ongoing border skirmishes. The Davos Group pressured the United States and European governments to support establishment of a separate state. In the end, though, it was skillful facilitation of talks by DEEN that led to successful negotiations. High oil income since the early teens has underwritten social stability, though the region has a range of moderate and hard-line regimes. A grudging co-existence with Israel is in place. Growing market economies are evolving, behind Israeli and Palestinian entrepreneurial talent. Egypt has successfully transitioned to a moderate and democratic society.

DEEN is the focus of the moderate Pan-Islamic movement. It has emerged as a positive global actor, with increasing influence and the ability to drive reform. Its growth and success has contributed to serious governance challenges, in terms of maintaining a consistent, positive message while at the same time demonstrating the willingness to fight for social justice and reform. Reports are circulating that hardliners in the organization are impatient with the pace of reform, especially in the Arab world and vis-à-vis powerful corporate interests. This seems to be the case, despite reform within the House of Saud. Local elections and parliamentary reform have moved Saudi Arabia towards the center.

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Iraq has never fully stabilized. The predicted turmoil following the U.S.'s withdrawal did materialize but gradually waned. It is still unstable with periodic flare-ups among the various constituents, but it is functioning as a single country, albeit well below its economic potential.

Iran has responded to DEEN's influence throughout the region and to the challenge of increased economic activity (extending beyond the oil economy) from Saudi Arabia and Egypt by adopting a progressive, non-revolutionary stance. It has built nuclear power plants, but has eschewed development of nuclear weapons.

Sub-Saharan Africa

Very few pockets of progress exist and considerable hardship – economic, political, social, and health – abounds. Much has been made of a few seemingly successful experiments of “company towns” that were set up by several global corporations in Lagos and Abidjan. These were heralded as the prototypes for a great opportunity finally to elevate Africa into the 21st Century. When Ralph Lauren moved its operation from Abidjan to Indonesia, however, Côte D'Ivoire was left in worse shape than ever. Other than natural resources and extractive industries, survival economics is still the rule. HIV/AIDS has wiped out large numbers of people. Most of those with wealth and education have left for healthier venues. The region is heavily dependent on NGOs, foundations, and religious organizations, including missionaries and DEEN. There is widespread state failure, civil unrest, and unmanaged borders with periodic massive migration. Climate change and rising water levels have only exacerbated these problems. South Africa and Botswana, leveraging their more established educational systems and earlier start at participation in the global economy, are among the few countries managing to grow and develop.

Europe

Europe is a lingering force but, as a whole, has declined in economic and political importance. It is getting by, but no better, and its standard of living has been gradually declining for more than a decade. Problems are exacerbated by significant illegal immigration from Africa and the Middle East. Public resistance to reducing social safety nets eroded competitiveness. Over time, cuts in social spending became a fiscal necessity anyway, but only after often-fractious political conflicts. On the positive side, Europe has avoided the degree of social fragmentation that has plagued the United States.

Former Soviet Union

For a period, Russia muddled through (with the benefit of strong oil revenue, military sales, and minimally effective leadership). Later, oil revenue fell short of expectations and investment was discouraged in the face of high risks and future

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uncertainty. Corruption and an exploding HIV/AIDS epidemic underline weak governance and inadequate government services and capabilities. All of this has undermined stability. Chechnya has renewed its declaration of independence and Russia ceded control (owing in part to DEEN intervention and corporate influence). Russian oligarchs and underworld elements gain increasing control over Moscow – and national resources. Now there is increasing uncertainty about who holds the keys to the nukes. Russia has become the center of the illegal international arms market, to include everything from conventional weapons to WMD. “Death R Us.”

The one relatively bright spot in Russia’s economy is the opening of the Northern Sea Route. Even here, though, there has been bickering and resistance to some of the standards that have been formulated by Davos members, and Russian revenue remains far below its potential.

Fisheries remain under increasing pressure in the Russian Far East. Japanese companies have invested in the Russian Far East resources but they are still trying to secure those investments.

In the Central Asian Republics, progress is uneven. Economic viability is tied to energy and tourism. DEEN is a positive social and political influence in Islamic regions. The Ukraine has benefited from major multinational (Cargill, ADM, etc.) investments and partnerships in its farm sector.

The Baltics, having integrated into the EU and global markets, are doing relatively well.

China (including Taiwan, Hong Kong, etc.)

China experienced continued rapid economic development through 2015, but since then has increasingly been hampered by environmental problems, population imbalance (aging, male-female ratios), and inconsistency at the leading edges of technology as some leading scientists have emigrated to escape the degrading environment. Also, the continued lack of transparency in China, coupled with serious investor disputes back in 2017-20, has tainted the once-ebullient business environment. Many global companies have held back new commitments in the country as a result. The economy, though still strong and growing, is no longer perceived as the juggernaut it had been 15 years ago. The gap between the wealthiest in China, notably those in the highly developed Southeast portion of the country, and the rest of the population is reaching potentially destabilizing levels. Some low-cost manufacturing has moved to neighboring Asian economies. There is escalating dissatisfaction that has resulted in a growing number of demonstrations, several of which have turned violent.

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A moderately well-funded military remains regionally focused, with an ongoing domestic security mission. The military is still involved in some commercial activity including heavy industry and aerospace, although its global market share has contracted.

China is a major maritime juggernaut with efficient maritime transportation systems. It still dominates the world's fish farming, providing models for improved pollution management.

PRC migration, including maritime, has increased within the last 10 years.

Taiwan and mainland PRC businessmen have effected a de facto merger of mutual business and financial interest. However, corporations in both countries possess an interest in retaining two separate political identities.

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

India has been the most populous nation in the world since the mid-20's. Regional migration exists, driven especially by rising sea levels, mainly from Bangladesh.

India is doing well economically, thanks in part to surging high-tech and outsourcing sectors. India, progressing along the value chain, is increasingly doing higher value-added work, with impressive levels of foreign investment and technology transfer. There is a strong maritime infrastructure that supports their participation in the global economy. Remote parts of India, not connected to the global grid, are falling further behind, but the marginalized segments represent a much smaller share of the population than 20 years ago. The ship-breaking industry has largely moved to Africa. India has benefited from China's troubles.

Pakistan attracted spillover investment from India and is progressing economically and politically (outside of North West Frontier Province, which remains ungoverned). Kashmir has stabilized, thanks in part to DEEN intermediation. Bangladesh, with few economic advantages in the heavily globalized world, is also hard hit by rising water levels and is in need of massive relief.

In contrast to the rest of the world, terrorism is still alive and well in Sri Lanka as part of the seemingly endless struggle between the Tamil Tigers and the Sri Lankan government.

North Asia (Japan, Korea)

The 6-party talks had some early success extracting a promise to halt North Korea's nuclear program. This promise included a regimen of inspections that proved to be relatively unsatisfying. In return, the West provided food and energy and some expansion of investment in the international free-trade zones including a

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few joint ventures with North Korean government-owned companies.

Kim Jong Il died in 2020 from syphilis. When his son Kim Jung Nam replaced him, he pulled out of all agreements almost immediately, and then resumed the nuclear program and missile testing.

In 2021 North Korea tried to nationalize the companies in the free trade zones and there was some violence as foreign workers tried to flee. Some were killed and others were taken prisoner. Western governments worked to prevent companies from sending in their security forces because North Korea threatened to retaliate with nuclear weapons. The companies negotiated a ransom for the release of their workers, but North Korea accused several companies of reneging on the deals and in 2028 “accidentally” destroyed a cargo ship from an Australian company during military exercises the next year.

Shortly after, Sony’s elite security forces killed members of a North Korean commando cell who were planning an attack on its facility outside Seoul. The cell included a North Korean diplomat and a South Korean citizen. The Japanese government disavowed the company's action, but South Korea kicked out the Japanese Ambassador.

Japan has largely escaped the AIDS scare. The economy is enjoying sustained growth, notwithstanding labor shortages. Japanese companies have invested in the Russian Far East resources and they are now trying to secure those investments. Japan is, however, experiencing coastal erosion and pollution flowing in from China.

Southeast Asia, Australia, New Zealand

Southeast Asia, including Vietnam, Thailand, and Laos as a group, is doing well economically, due to low labor costs, even capturing some investment from China, East Asia, and Australia. Manufacturing operations of global corporations have provided spurs to several economies. These have been welcomed initially but, stung by the sometimes ephemeral nature of the corporate loyalties, countries are becoming much more circumspect. As elsewhere in the Islamic world DEEN has proved to be a stabilizing influence, especially in Indonesia.

DEEN has enjoyed less success as a stabilizing influence in Indonesia compared with the rest of the Islamic world. There is an ongoing threat of piracy and maritime crime around Indonesia.



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Arctic/Antarctic

The **Arctic** is the new Wild West, the next frontier. Both the Northern Sea Route and the Northwest Passage are now navigable for at least part of the year. A coastal infrastructure has been developing to accommodate oil, mineral, and fishing industries. Arctic tourism is on the rise as well. A working IMO agreement largely leaves the Arctic as an international strait with common resources available to all, but not all issues have been worked out (especially in northern Russian waters).

Antarctica is an international flashpoint driven in part by recent discoveries of oil, natural resources, and quantities of a rare, potentially valuable compound, formerly believed to exist only on the moon, with important energy applications.

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