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Preliminary Scanning of the Strategic Environment:
2015 to 2050

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Abstract

Organizations strategically scan the external environment for opportunities and threats. Current trends project factors that will strongly influence the future to 2050. The affect will depend on how well organizations are prepared. For example, among these trends is third world population growth. Researchers present three possible scenarios of the future.

“Tomorrow always arrives; the wise seek knowledge to prepare.” – Anonymous.

Strategists perform environmental scanning by monitoring the globe for future opportunities and threats that affect their organizations. The external environment is generally beyond the control of any organization and includes the following categories: the competition, the economy, social-cultural-demographic factors, political-legal-governmental aspects, technology, and the natural environment. “Japan Inc.” is strategically planning now for the year 2025; Chinese strategic planners are projecting 2150. Recently, the Central Intelligence Agency (CIA) uncharacteristically released an unclassified document entitled, *Global Trends 2015*, for rare public consumption.¹ Other respected sources, *Which World?: Scenarios for the 21st Century*, present similar trends and forecast 2050.² This report presents trends and likely scenarios of the global environment between 2015 and 2050.

One statement summarizes the CIA’s *Global Trends 2015*: “Globalization will provide mankind with the *unprecedented opportunity to improve the quality of human life* across the planet; *but progress will be hampered* by economic volatility, by the

political security implications of sharpening inequities in income, and by the growing threat from multiple, relatively small-scale programs of weapons of mass destruction [*emphasizes added*].”³ The CIA’s study makes four points:

1. First, a networked global economy will be a net contributor to increased political stability in the world. US national interests will increasingly be tied to our dependence on global networks that ensure the unrestricted flow of economic, political, and technical information, as well as people, goods, and capital . .
2. Second, global change in the decades ahead will broaden our definition of “national security” and expand the US intelligence agenda in both the numbers and complexity of issues we cover. In 15 years, CIA will still be focused on the proliferation of weapons of mass destruction, terrorism, narcotics, and organized crime. But newer issues, such as information operations and threats to our space systems, will command a growing amount of our time.
3. Third, technology will challenge us in every area of the intelligence business to be smarter, more agile, more responsive to the policymakers we serve, and more collaborative with experts, wherever they may be found – in academia, the private sector, and non-governmental organizations (NGOs).
4. Fourth, the intelligence business is fundamentally about skills and expertise, and this means people – people in whom we will need to invest more to deal with the array of complex challenges we face over the next generation.⁴

Additionally, the CIA presents seven trends:

1. The first driver is global population trends. Despite substantial drops in fertility in some countries, the momentum of the existing population translates into an increase in the world’s population from 6 billion to around 7.2 billion by 2015. Ninety-five percent of this growth will be in developing countries. But population patterns will vary markedly in different regions of the world. .
2. [A] second global trend, the demand for food, water, and energy will increase over the next 15 years, while the uneven distribution of natural resources will persist in many developing countries. The good news is that world food stocks are projected to be sufficient to meet overall global needs by 2015 . .

3. [T]he third major driver [is] economic growth. We expect world per capita income to increase at an average annual rate of at least 2 percent between now and 2015, but rising tides will not lift all boats. Not every state will benefit equally, nor will every group within every state. Divisions between “haves” and “have-nots” will have political implications . . . Volatility will be a major downside of global economic integration. All states will become more vulnerable to shocks and disruptions.
4. The fourth global trend is that scientific and technological developments will permeate every aspect of the global environment.
5. [A] fifth trend [is that] the relative power and influence of many nation-states will continue to erode over the next 15 years, while transnational networks of all kinds will almost certainly grow in number, economic power, and political significance. Globalization and the permeability of borders to the flow of people, goods and information are all combining to erode state sovereignty.
6. The sixth trend points to a shift in power relationships and international alignments. The world currently has only one superpower, but it will not be a hegemon, as other states – principally the collective European Union, Japan, Russia, and China – try to shape the world of the future. Shifting power alliances will take place because of the increased economic and political power of Europe and East Asia and because of the potential for American internationalism to continue to wane over time. Power alignments are in great flux as key states undergo uncertain transitions.
7. The seventh and final trend is the changing nature of warfare. The widespread consensus is that the United States will have no peer military competitor by 2015. But our military and technological prowess will not be enough to guarantee that our interests are protected. Many countries and groups will try to blunt US military superiority in other ways – for example: by improving their capabilities relative to those of their neighbors, and by using asymmetric means, such as terrorism and weapons of mass destruction, instead of conventional forces. Terrorist incidents are likely to continue, at least at current levels, and may increase by 2015. Terrorists will be better armed with more sophisticated weaponry. Some groups are already pursuing chemical and biological weapons capabilities. In the future, terrorists will seek to cause more casualties per incident, the vast bulk of whom will be civilians.⁵

Although information is plentiful, environmental scanning is becoming more complex due to the rate of constant change. Nevertheless, let us consider the global environment

between 2015 and 2050. We begin by identifying the regions of the world and then project global competitive trends and governing systems.

Studies at the California Institute of Technology divide the world into nine regions: North America, Europe, Japan, India, Latin America, Russia/Eastern Europe, North Africa/Middle East, Sub-Sahara Africa, and China/Southeast Asia.⁶ In 2015, North American, European and Japanese multinational, or transnational, oligopolies influence nation-states and dominate global competition. Based on established trends, the political-legal-governmental aspects will include these influences. First, if not yet accomplished, the push by internationalists for a "New World Order," or global governance will intensify toward conclusion. Second, nationalistic resistance to the "New World Order" concept of global governance focuses on the issue of sovereignty. The nation-state sovereignty barrier to global governance is at least thirty years old. By 2015, the lack of effectiveness of many nation-states will strain their legal credibility and international solutions may appeal. In addition, the migration to cities will strain resources as more people live in urban areas. Consequently, the number of rules increases to control human behavior. However, governments' power over corporations decreases, as many are multinational, or transnational, in scope. Huge multinational corporations with interlocking directorates use their power to influence the international economic system. The Star Chamber mentalities of multinational corporate leaders influence politicians easily. Even though competition is intense, some dominant multinationals enjoy constant advantage and these firms readily form cooperative consortiums as opportunities arise, sometimes with government entities.

The electronically interwoven global economy of 2015 connects instantly the world's communication systems, financial markets, multinational/transnational corporations, and governing bodies. This interdependence creates a semi-stable but fragile network that is susceptible to economic shock and volatility. With the population growing, the gap between the "haves" and the "have-nots" increases and there are two colliding worlds competing for resources. Some live life abundantly, but most suffer some deprivation. Education, knowledge, skills and abilities are the keys to opportunity and the reasons for the growing gap between the two groups.

Of the social-cultural-demographic factors, future demographics are remarkable. The developed world's population holds steady at about 1 billion from 1950 to 2050. However, the population in the developing world explodes from just over 1.5 billion in 1950 to over 8 billion in 2050 for a total population of approximately 9.3 billion. There are more older people because people live longer;⁷ however, there will be regions, in Africa and probably in India and Southeast Asia, where there are few middle aged people due to HIV/AIDS and other infectious diseases. Nonetheless, the world's population in 2015 is over 7 billion and counting. The family unit as the primary building block of society along with traditional moral and ethical values erodes further. An individual's culture oftentimes has more influence than ties to either the family or nation-state. Clashes of cultures in many areas of the world still produce "hot spots" of violence.⁸

The resources in the natural environment become more precious: especially water, air, food and energy. Of all the water on the planet, only 2 to 3 percent is fresh and sustains life; household, agricultural and industrial demands will stress this resource to the point of warfare. The air's quality is worse. The ability to produce enough food is

available, but inadequate distribution systems will fail to deliver to the hungry everywhere. Cheap energy and arable land are also problematic. In addition, incurable fatal infectious diseases increase and modern plagues reduce regional populations.⁹

Because technology is increasing exponentially, technology provides the opportunity to determine a better world despite the increased population. However, it also provides opportunities for terrorists to disrupt systems.¹⁰ Technology may improve life by improving the quality of our water, air, food, health, and knowledge, but the benefits although widespread may not be available to all. Additionally, technology may displace many workers through capital equipment investment.

Trends are interesting, but the future is not always an extension of the past. Global scenarios offer alternative views of possible futures. In addition to the suggested above scenario, three plausible alternatives for the future are: Market World, Fortress World and Transformed World.¹¹ Additionally, the future could include a world with elements from all three.

- ◆ **Market World** reflects a vision of the future that is widely held today. It assumes that free markets, private enterprise, and global market integration are the best way to increase prosperity and improve human welfare. Economic reform, privatization, and deregulation are, in this view, the key to the future.
- ◆ **Fortress World**, on the other hand, focuses on the potential of unattended social and environmental problems and the growing gap between rich and poor to diminish social progress and doom hundreds of millions of people to lives of poverty and deprivation. It foresees the likelihood of widespread degradation, social instability, rising conflict – and the possibility of violence and chaos, of a world divided against itself.
- ◆ **Transformed World** is an optimistic vision of the future, one in which social and political – as well as economic – reforms create a better life, not just a wealthier one. It assumes that human ingenuity and compassion can extend opportunity to all of humanity. And it points to

tentative changes, already underway, that may presage such a transformation.¹²

◆ Combination World

Some of the above scenarios may be too hopeful, or too pessimistic; the reality in 2025 could indeed be some combination.

Today, time is both an opportunity and a threat to our future depending on how we use it to prepare. There is now less than 15 years until 2015. With the Japanese preparing for 2025 and the Chinese forecasting 2150, it seems wise to start considering the era of 2015 to 2050. This report presents trends and hopefully some insight into possible scenarios on which to plan and start building the future. Our conclusion is that we proactively create the future and plan for it strategically, or we are doomed to respond and accept the fortunes of fate. What will your world be in the 2015-2050 era? The time to begin planning and creating a successful future in 2015, or 2050, is now, not then.

¹ ABC News: *Nightline* feature story on January 17 and 18, 2001, reporting on *Global Trends 2015*, a document recently published by the Central Intelligence Agency.

² *Which World?: Scenarios for the 21st Century* published by California Institute of Technology

³ Gannon, John C. "The CIA in the New World Order: Intelligence Challenges Through 2015," Remarks by John C. Gannon, Chairman, National Intelligence Council to the Smithsonian Associates' "Campus on the Mall," 1 February 2000.

⁴ Ibid

⁵ Ibid

⁶ *Which World?: Scenarios for the 21st Century*

⁷ Peterson, Peter G. "Gray Dawn: The Global Aging Crisis," *Foreign Affairs*, January/February 1999, Volume 78, Number 1, pages 42-55.

⁸ Huntington, Samuel P. "The Clash of Civilizations," *Foreign Affairs*, Summer 1993, Volume 72, Number 3, pages 22-49.

⁹ Garrett, Laurie. *The Coming Plague: Newly Emerging Diseases in a World Out of Balance ?*

¹⁰ Betts, Richard K. "The New Threat of Mass Destruction," *Foreign Affairs*, January/February 1998, Volume 77, Number 1, pages 26-41.

¹¹ *Which World?: Scenarios for the 21st Century*

¹² Ibid