Global Power Shifts

SUMMARY: Existing global power structures are breaking down as new centers arise and power diffuses. Power is shifting among nation-states and flowing to several kinds of transnational and sub-national organizations and groups. This will change the operating environment for associations, especially those with cross-border reach.

Forecasts

- The United States and Europe are both on a trajectory for a relative decline in power, with Europe falling faster than the United States due to its economic stagnation and demographic aging. Present trajectories could be disrupted by positive or negative discontinuities, however.
- The institutional priorities and practices of international bodies such as the World Trade Organization and ICAAN, the internet supervisor, will shift as emerging markets come to the fore.
- The informal rules of international systems will change as different cultures assert their perspectives in the world.
- Some forecast not new leadership but less, as old powers decline before new powers step up to fill their positions.
- In a high-inequality, globalized era, more one-man powers will arise in the style of Bill Gates and Elon Musk. They will have the power to change global agendas and shift the course of technologies.

Key Uncertainties

Level of cooperation versus conflict in the international system

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Trajectory of economic growth by China, India, Brazil, and other rising powers

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Durability and stability of the socio-political system of China and some other rising powers

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The state of global trade

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Evolving power of multinational companies, which increasingly include companies from emerging markets

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Supporting Trends

- **Diffusion of global power.** Power is becoming more dispersed in the global system. China has achieved great power status. Russia has partially recovered from the Soviet collapse. In Asia, Japan and India are more assertive than in the recent past. Beyond states, non-state actors such as militias and terrorist groups are involved in most conflicts and are rarely controlled fully by a government.
- **Oncoming instability.** Multiple factors are reducing the stability of the global system. China and Russia are asserting themselves aggressively. The 2016 election in the United States brought to power a president who openly questioned many of the diplomatic structures the United States has built since 1945.
- **European Union in rough waters.** Expansion and strengthening of the EU are faltering, and the organization's basic stability is under question in the face of the United Kingdom's Brexit decisions.
- **Blurred war and peace.** The line between conflict and peace is blurring. State-versus-state conflicts have become rare, but other kinds of war continue, usually involving non-state combatants. States are pursuing alternate forms of conflict, including "hybrid warfare" and cyberwar.
- **Illiberal democracy.** A growing list of countries have moved away from liberal democratic political structures and practices.

Related Drivers of Change

- The Productivity Paradox
- Aging World
- American Inequality
- Shifting Terrain for Advocacy

Notable Data Points

MODELS OF POWER

By one model of power that combines economics, demography, technology, and military capability, the **U.S. holds 19% of global power.** Forecasts predict China will overtake the U.S. in 2022, and India will surpass the U.S. in 2042.

Source: Frederick S. Pardee Center for International Futures

BELIEFS ABOUT POWER

As of 2016, **34% of Americans already thought China was the world's leading economic power;** 54% thought the United States led.

Source: Pew Research Center

THE STRENGTH OF WEAKNESS

A study found that the **militarily weaker side won in 55% of all conflicts** from 1950 to 1998.

Source: International Security

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Strategic Insights

- Global rules of all kinds—for instance in trade, telecommunications, or banking—will be set by more diverse actors and originate from more places. The United States and Western Europe will remain important in rule setting, but those seeking to influence policy will have to range more widely to find stakeholders.
- The diffusion of economic and scientific power, and the relative decline of the United States, will make truly transnational associations a more logical fit to represent some kinds of industries and fields. This will be especially true within scientific fields.
- This diffusion will also create rising global competition among national organizations and associations from rising powers, especially as they stake out turf in their home regions. This will boost the potential role for partnerships and federations across borders.
- Some kinds of power vacuums in global systems could leave space for associations to assert themselves in new or larger roles in agenda setting or rule making.
- How American power and influence are perceived abroad will affect the desirability of the United States as a destination for immigration, including skilled immigration by scientists, entrepreneurs, and technologists.

Timing

- **Stage:** Growth, with signals of emergent new phases
- **Speed:** Medium, though subject to potential sudden discontinuities

Potential Alternative Futures

- **Win-win:** Spreading prosperity and shared interests drive a more cooperative world in which disputes are worked out via established structures.
- **Assertive nation-states:** Security concerns and populist politics cause national governments to reassert their power over cross-border issues and economic affairs, including trade and investment.
- **Fractured world:** International rules and structures break down under pressure from new actors but are not replaced by new rules and systems—leaving the world more chaotic and buffeted by assertions of pure power, both political and economic.

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Take Action

- **Run a risk assessment on your global strategy.** This requires scenario planning asking the "what ifs" in a highly dynamic situation. Rely on stable channels. Despite cybersecurity concerns, digital communications may be more reliable than mail. Some partnerships and coalitions will be better at surviving dynamic situations. Have your Plan B ready.
- **Resist avoidance.** For associations with modest global aspirations, the temptation will be strong to put global opportunities on hold. Talking today about these options will make it easier to exercise them when the path forward is clear.
- **Be alert to emerging centers of influence in your field.** People follow opportunity, and long term this could create new centers of expertise and influence as rising powers recruit highly educated and talented people. If U.S.-based education and credentialing becomes less attractive, associations depending on these programs could suffer.
- **Step into the power vacuum.** Associations could have new opportunities for agenda setting and rulemaking. These power shifts could particularly affect standards-setting organizations like ISO and ANSI.
- **Monitor security concerns.** Association executives and members travel the globe. Associations seeking alliances and partnerships in other countries need to be on alert.
- **Make the case for the USA.** Despite growing perceptions to the contrary, the United States still enjoys many economic, technical, and societal advantages. Help marshal the facts for your field to assert these continuing strengths while working to address your weaknesses.
- **Identify your global actors and bridge builders.** Know which members have these relationships and work through them to navigate uncertain situations.

Keyword Search

To continue researching this change driver, use these search terms:
geopolitics, power, soft power, hard power, China, United States, European Union, non-state actors, business, Trump, decline, multinational, transnational, global system, conflict, stability, hybrid warfare, fourth generation warfare

Who Will Be Affected

Global organizations have to be on top of these global power shifts. Trade associations are more likely to have members operating globally. If interest in U.S.-based education, credentialing, and standard-setting declines, organizations offering these programs and services will be affected.

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- guidance in performing environmental scans; and
- opportunities to engage with peers around the research.

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