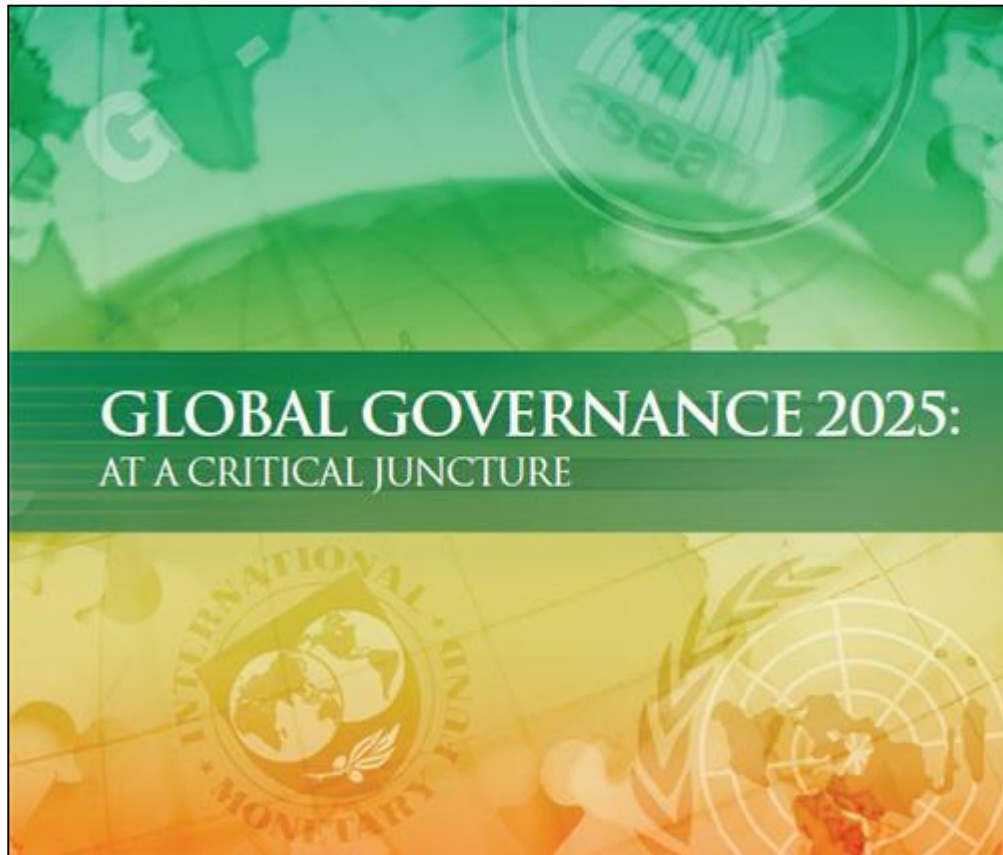

Global Governance 2025

[Executive Summary]



This report analyzes the **gap between current international governance institutions, organizations and norms and the demands for global governance likely to be posed by long-term strategic challenges** over the next 15 years. The report is the product of research and analysis by the NIC and EUISS following a series of international dialogues co-organized by the Atlantic Council, TPN, and other partner organizations in Beijing, Tokyo, Dubai, New Delhi, Pretoria, Sao Paulo & Brasilia, Moscow, and Paris. The executive summary is below.

Executive Summary

Global governance—the collective management of common problems at the international level—is at a critical juncture. Although global governance institutions have racked up many successes since their development after the Second World War, the growing number of issues on the international agenda, and their **complexity, is outpacing the ability of international organizations and national governments to cope.**

With the emergence of rapid globalization, the risks to the international system have grown to the extent that **formerly localized threats are no longer locally containable but are now potentially dangerous to global security and stability**. At the beginning of the century, threats such as ethnic conflicts, infectious diseases, and terrorism as well as a new generation of global challenges including climate change, energy security, food and water scarcity, international migration flows, and new technologies are increasingly taking center stage.

Three effects of rapid globalization are driving demands for more effective global governance. Interdependence has been a feature of economic globalization for many years, but the rise of China, India, Brazil, and other fast-growing economies has taken economic interdependence to a new level. The multiple links among climate change and resources issues; the economic crisis; and state fragility—“hubs” of risks for the future—illustrate the interconnected nature of the challenges on the international agenda today. Many of the issues cited above involve interwoven domestic and foreign challenges. Domestic politics creates tight constraints on international cooperation and reduces the scope for compromise.

The shift to a multipolar world is complicating the prospects for effective global governance over the next 10 years. The expanding economic clout of emerging powers increases their political influence well beyond their borders. Power is not only shifting from established powers to rising countries and, to some extent, the developing world, but also toward nonstate actors. Diverse perspectives and suspicions about global governance, which is seen as a Western concept, will add to the difficulties of effectively mastering the growing number of challenges.

- Brazilians feel there is a need for a redistribution of power from developed to developing states. Some experts we consulted saw Brazil tending to like “old fashioned” multilateralism, which is state-centered and does not make room for nonstate actors.
- Many of our Chinese interlocutors see mounting global challenges and fundamental defects in the international system but emphasize the need for China to deal with its internal problems. The Chinese envisage a “bigger structure” pulling together the various institutions and groups that have been established recently. They see the G-20 as being a step forward but question whether North-South differences will impede cooperation on issues other than economics.
- For participants from the Persian Gulf region, the question is what sort of global institutions are most capable of inclusive power sharing. They bemoaned the lack of strong regional organizations.
- The Indians thought existing international organizations are “grossly inadequate” and worried about an “absence of an internal equilibrium in Asia to ensure stability.” They felt that India is not well positioned to help develop regional institutions for Asia given China’s preponderant role in the region.
- Russian experts we consulted see the world in 2025 as still one of great powers but with more opportunities for transnational cooperation. The Russians worried about the relative lack of “transpacific security.” The United States, Europe, and Russia also have scope for growing much closer, while China, “with the biggest economy,” will be the main factor in changing the world.
- The South Africans assessed that globalization appears to be strengthening regionalization as opposed to creating a single global polity. They worried that the losers from globalization increasingly outnumber the winners.

In addition to the shift to a multipolar world, power is also shifting toward nonstate actors, be they agents or spoilers of cooperation. On a positive note, transnational nongovernmental organizations, civil-society groups, churches and faith-based organizations, multinational corporations, other business bodies, and interest groups have been equally, if not more effective than states at reframing issues and mobilizing publics—a trend we expect to continue. However, hostile nonstate actors such as criminal organizations and terrorist networks, all empowered by existing and new technologies, can pose serious security threats and compound systemic risks. Many developing countries—which are likely to play an increasing role at the regional and global level—also suffer from a relative paucity of nonstate actors, that could help newly emerging states and their governments deal with the growing transnational challenges.

Global governance institutions have adapted to some degree as new issues have emerged, but the adaptations have not necessarily been intentional or substantial enough to keep up with growing demand. Rather, they have been spurred as much by outside forces as by the institutions themselves. The emergence of informal groupings of leading countries, such as the G-20; the prospects for further regional cooperation, notably in East Asia; and the multiple contributions of nonstate actors to international cooperation—although highly useful—are unlikely to serve as permanent alternatives to rule-based, inclusive multilateral institutions. Multilateral institutions can deliver public goods that summits, nonstate actors and regional frameworks cannot supply, or cannot do so in a reliable way. Our foreign interlocutors stressed the need for decisions enjoying universal legitimacy, norms setting predictable patterns of behavior based on reciprocity, and mutually agreed instruments to resolve disputes and redress torts, such as in trade matters.

We assess that the multiple and diverse governance frameworks, however flexible, probably are not going to be sufficient to keep pace with the looming number of transnational and global challenges absent extensive institutional reforms and innovations. The capacities of the current institutional patchwork will be stretched by the type of problems facing the global order over the next few decades.

Numerous studies indicate the growing fragility of many low-income developing states and potential for more conflict, particularly in cases where civil wars were never fully resolved. Internal conflict or collapse of large populous states on the scale of an Ethiopia, Bangladesh, Pakistan or Nigeria would likely overwhelm international conflict management efforts. Afghanistan, with approximately 28 million people, and Iraq, with 30 million, are among the most populous conflict management cases ever attempted, and they are proving difficult.

Regional organizations have performed comparatively few large-scale operational responses to fragile states requiring humanitarian and peacemaking help. Although we can expect increased political and economic engagement from rising powers—in part a reflection of their increasing global interests—emerging powers have deep-seated concerns about the consequences of the proactive management of state fragility.

Prevention, for example, often can require direct political intervention or even the threat or use of military force as a last resort. Efforts to prevent conflict have often been slowed by reluctance and resistance to intervene directly, potentially overriding another country's sovereignty. Many experts

in emerging states thought their governments probably would be particularly leery of any intervention if it is driven by the “West.”

Another cluster of problems—the management of energy, food, and water resources—appears particularly unlikely to be effectively tackled without major governance innovations. Individual international agencies respond to discrete cases, particularly humanitarian emergencies in individual countries. However, no overall framework exists to manage the interrelated problems of food, water and energy. The stakes are high in view of the impact that growing scarcities could have on undermining the open international system. Resource competition in which major powers seek to secure reliable supplies could lead to a breakdown in cooperation in other areas. Moreover, scarcities are likely to hit poor states the hardest, leading in the worst case to internal or interstate conflict and spillover to regional destabilization.

Other over-the-horizon issues—migration, the potential opening of the Arctic, and risks associated with the biotechnology revolution—are likely to rise in importance and demand a higher level of cooperation. These issues are difficult ones for multilateral cooperation because they involve more preventive action. Under current circumstances, greater cooperation on those issues in which the risks are not clear-cut will be especially difficult to achieve.

Potential Scenarios

Throughout the main text, we have sprinkled fictionalized scenarios that could result if, as we believe likely, the multiple and diverse governance frameworks struggle to keep pace with the looming number of transnational and global challenges. The scenarios illustrate various permutations that could happen over the next 15 years. The following summarizes what we see as the principal potential trajectories of the international system as it tries to confront new challenges. We believe the risks of an unreformed global governance system are likely to cumulate over time. Crises—so long as they are not overwhelming—may actually spur greater innovation and change in the system. Inaction over the long term increases the risks of a complete breakdown.

Scenario I: Barely Keeping Afloat

In this scenario, seen as the most likely one over the next several years, no one crisis will be so overwhelming as to threaten the international system even though collective management advances slowly. Crises are dealt with ad hoc and temporary frameworks or institutions are devised to avert the most threatening aspects of them. Formal institutions remain largely unreformed and Western states probably must shoulder a disproportionate share of “global governance” as developing countries prevent disruptions at home. This future is not sustainable over the longer term as it depends on no crisis being so unmanageable as to overwhelm the international system.

Scenario II: Fragmentation

Powerful states and regions try to wall themselves off from outside threats. Asia builds a regional order that is economically self-sufficient. Global communications ensure globalization does not die, but it slows significantly. Europe turns its focus inward as it wrestles with growing discontent with

declining living standards. With a growing work force, the US might be in a better position but may still be fiscally constrained if its budgetary shortfalls and long-term debt problems remain unresolved.

Scenario III: Concert of Europe Redux

Under this scenario, severe threats to the international system—possibly a looming environmental disaster or a conflict that risks spreading—prompt greater cooperation on solving global problems. Significant reform of the international system becomes possible. Although less likely than the first two scenarios in the immediate future, such a scenario might prove the best outcome over the longer term, building a resilient international system that would step up the level of overall cooperation on an array of problems. The US increasingly shares power while China and India increase their burden sharing and the EU takes on a bigger global role. A stable concert could also occur incrementally over a long period in which economic gaps shrink and per capita income converges.

Scenario IV: Gaming Reality: Conflict Trumps Cooperation

This scenario is among the least likely, but the possibility cannot be dismissed. The international system becomes threatening owing to domestic disruptions, particularly in emerging powers such as China. Nationalistic pressures build as middle-class aspirations for the “good life” are stymied. Tensions build between the United States and China, but also among some of the BRICs as competition grows for secure resources and clients. A nuclear arms race in the Middle East could deal an equally destabilizing blow to prospects for continued global growth. Suspicions and tensions make reforming global institutions impossible; budding regional efforts, particularly in Asia, also are undermined.