

Abstract

Global Security and Economy 2011-2025

At present, out of the 6.6 billion people living on the planet, about half are in the marketplace and the other half, 3.3 billion, live in the periphery where they do not have purchasing power. By 2025, the population of the world will increase to 8.6 billion. At the pre-crisis GDP growth rates, the segment living in the marketplace will grow to 5.3 billion. This will still leave 3.3 billion people in the periphery. If they are not included in the growth process, emerging and developing economies will be seized by a cycle of violence, crime and various forms of extremism, which will further deteriorate the prospects of growth. If, on the other hand, industrialisation is hastened to reduce poverty and inequity, there will be pressure on resources, environment and climate, which will adversely impact the prospects for growth. Violence and climate crisis in emerging economies will spread around the world in a new wave of globalisation of risks. These developments will be further exacerbated by the US ability to manage double deficit with a bearing on the final outcome of the global financial crisis, developments in the Middle East with their impact on energy markets, the ability of emerging countries in Asia and the Middle East to address impending water scarcity, and breakthroughs in energy and environmental technologies. There are indications that OECD countries along with a few countries in East Asia will lead leap towards a new technological revolution in cleantech, biotech, genomics, robotics and nanotechnology, whereas the emerging and developing countries will lag behind. We could therefore see a new North-South polarisation. The current architecture of global governance is not designed to address interlinkages between inequity, extremism, climate and water crisis, technological polarisation and financial faultlines. G-20 concentrates on economic issues. UN Security Council, G-8 and Nato focus on security issues. Specialised agencies facilitate trade, environmental, health negotiations in separate compartments. We need convergence of global governance in order to respond to the convergence of global systemic risks.