



Continuity
and
Uncertainty
in a
changing
world

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Colophon

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CONTINUITY AND UNCERTAINTY IN A CHANGING WORLD

SUMMARY AND CONCLUSIONS



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Jair van der Lijn & Andrea Teftedarija

We live in an uncertain world, with new, compiled or hybrid and often non-military threats. This finding is supported by many think tanks, ministries and organisations. In recent years, many analyses have proven that the concept of security has broadened and that old structures that used to provide security against threats and dangers no longer necessarily work for current challenges.

Another finding is that the outlook will probably remain diffuse in the next decades. The rise of new powers, the consequences of economic interdependence and financial crises, proliferation of weapons of mass destruction, failing states, climate change and technological progress are just a few examples of developments which could have direct or indirect consequences for security and stability in the world.

Since the world system is surrounded by uncertainty, and since it is uncertain what type of consequences the diverse developments will have on security and stability, many organisations have recognised the importance of looking ahead. Anticipating future challenges is increasingly considered necessary in order to prepare in an

effective and timely manner for both expected and unforeseen events and their impact.

Many developments that could influence international security and stability have already been identified. Several projects carried out in 2010 and 2011 have mapped out which developments and events policy-makers should pay attention to. It is now important to monitor these developments and assess to what extent they could affect international security and stability over the next years and decades.

FUTURE POLICY SURVEY: GUIDANCE FOR THE ARMED FORCES OF 2020

Of all exploratory projects concerning the future, the interdepartmental project 'Future Policy Survey: guidance for the Armed Forces of 2020' (henceforth, Future Policy Survey) is the most relevant for the Netherlands in the field of international security and stability. In 2008, the Netherlands Cabinet ordered an analysis of expected international developments and the development of possible future scenarios on which to base political decisions regarding the Dutch defence effort. Two years later, in May 2010, the results of the Future Policy Survey were produced. The comprehensive report, based on

an environmental analysis and future scenarios, lays out policy options for politicians and policy-makers to make decisions for the future of the Armed Forces.

The environmental analysis was conducted by mapping 16 driving forces and actors, as well as their implications for security and the Armed Forces. **Actors** are 'countries, organisations, individuals and groups which perform activities that influence the security situation'. **Driving forces** are 'highly autonomous, external developments that influence the Kingdom and the Armed Forces'. From the environmental analysis, certain probabilities and uncertainties appeared concerning the manner in which the world system will develop. Two 'key uncertainties' are also discussed. How the world will develop in the next two decades, depends on the degree of cooperation within the world system ('Will the world system develop in the direction of increased cooperation and integration or of declining cooperation and fragmentation?') and on the type of actors that play a role in security in the world system ('Is our security determined by states or by non-state actors?'). In which direction these two key uncertainties will develop depends on the different driving forces and actors that affect them.

In order to place the next decades' events, developments and possible trends in a wider context, four future scenarios were developed to depict how and with what consequences the world could develop in broad lines in the next decades. The scenario grid consists of two axes that result from the two key uncertainties. From these axes, two state-centric scenarios

result: Multilateral and Multipolar. In the first there is effective cooperation between states, while in the second there is mainly rivalry and non-cooperation. The other two scenarios – Fragmentation and Network – are based on the rise of non-state actors. States are present in the world system, but non-state actors have gained influence. While Fragmentation is mostly 'every man for himself', in Network there is cooperation on a global scale between actors that are much more closely connected than in the non-cooperative scenario. The scenarios have then been used as testing grounds for policy options for the Armed Forces. A robust policy option is, for example, a group of measures that work well in all four scenarios. It is therefore wise to choose that option.

The policy options were also tested against so-called **strategic shocks**. These are 'specific events or sudden developments that place the security of the Netherlands in a new light and may also involve recourse to the Armed Forces. These include events or developments that appear to be extremely unlikely at the moment or which are beyond our powers of imagination, but which may nevertheless occur.'

The environmental analysis of the Future Policy Survey has led to the conclusion that there will be fundamental uncertainty in the world system in coming years. The security situation and its implications for the Netherlands and its Armed Forces require defence to be designed to cope with this uncertainty.

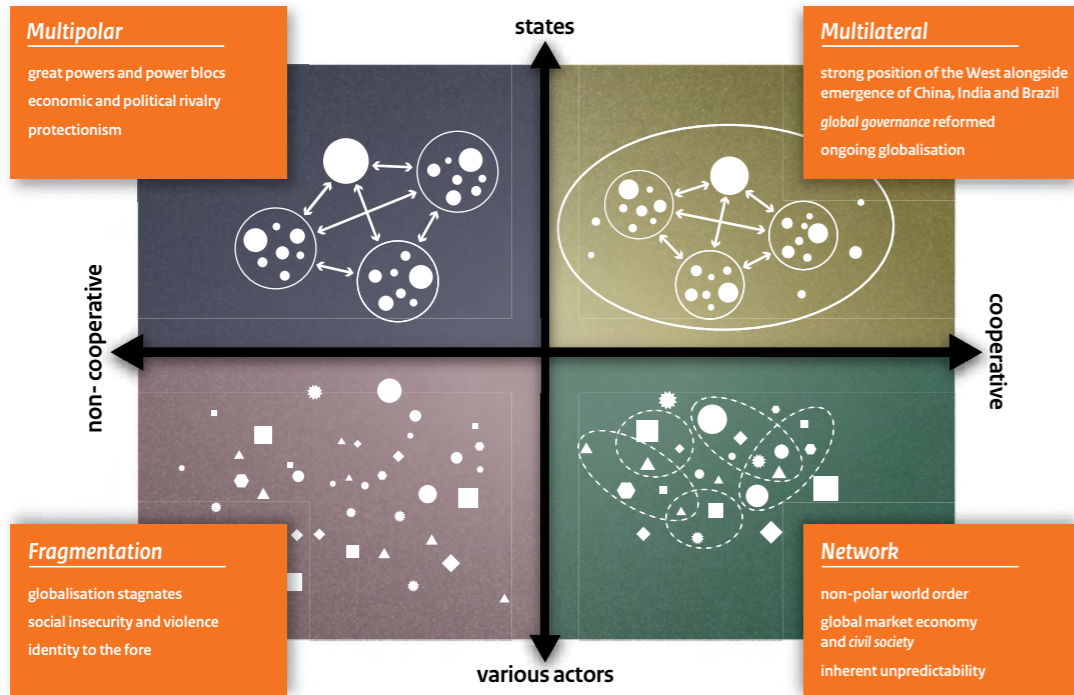


Figure 1: Scenarios from the Future Policy Survey

CLINGENDAEL STRATEGIC MONITOR

In the Future Policy Survey it was found that the government needs to strengthen its anticipating ability in order to identify developments that are of importance to Dutch security and defence policy. In support of this government effort and in cooperation with the ministries of Defence and Foreign Affairs, the Clingendael Institute has developed the annual 'Clingendael Strategic Monitor', which follows developments from the Future Policy Survey. The Clingendael Strategic Monitor also inputs into the interdepartmental Strategic Monitor, within

which contributions exploring the future from different knowledge institutions and government agencies are collected and compiled to create an encompassing analysis of developments in the world system and the consequences for Dutch security policy.

The Clingendael Strategic Monitor provides analyses on topics that were followed throughout the year which have directly or indirectly affected international security and stability and which could affect them in the future. As well as looking back on the past year, it plooks ahead and assesses

if, and if so, how, identified developments may continue in the next five to ten years. The specific and overarching analyses of the Clingendael Strategic Monitor aim to support strategic development in the field of Dutch security and defence policy.

The main question in the analysis of the Strategic Monitor is:

What were the most important developments in the past year concerning international security and stability and how and in which direction may trends manifest themselves in the coming five to ten years?

This question is divided into five sub-questions:

1. Events and trends in the past year

What have been the most important events and developments in the past year?

2. The next five to ten years: probabilities and uncertainties

How will the trends and developments develop in the next five to ten years (on the basis of the past and of what we assume about the future)? What is probable and what is uncertain?

3. Strategic shocks

Has the probability of the strategic shocks from the Future Policy Survey changed and are there other strategic shocks that need to be taken into account?

4. Winners, losers & instability, and insecurity in the world

Who are the winners and losers as a consequence of these developments? Where can this lead to

instability and insecurity in the next five to ten years?

5. Implications for the Dutch Armed Forces

How are Dutch interests and/or the international legal order threatened by this instability and insecurity, and what consequences does this have for the security and defence policy, especially for demand on the Armed Forces and the Armed Forces as organisation?

THE IMPORTANCE OF THE CLINGENDAEL STRATEGIC MONITOR

Keeping track of the development of the future scenarios in the Future Policy Survey, as well as of the driving forces and actors that affect how the world system will develop in the coming years, is essential to Dutch security policy and for the resilience and effectiveness of the Dutch Armed Forces. This is also confirmed by the *Strategy, Knowledge and Innovation agenda 2011–2015* of the Ministry of Defence. Anticipation is a vital element of strategic management and consists of two components: a *knowledge component* (learning what the expected and unforeseen events and developments are which could affect your organisation) and an *organisational component* (making organisational adjustments so as to be better prepared for expected and unforeseen developments and events). The Clingendael Strategic Monitor was set up to support the first component of anticipation.

Analyses in the report focused on and catered to the needs of the national government. Attention is especially given to the Armed Forces as the implementer of security policy. The consequences of possible developments and world events



for the security interests of the Kingdom, the Armed Forces and the international legal order are explored in order to support the Armed Forces' strategic functions 'anticipation' and 'prevention'. The Monitor can be viewed as an early warning instrument that supports strategy development by answering the question 'What areas are important for the Dutch government to focus on in the coming years to be best prepared for different security challenges?'

The Clingendael Strategic Monitor can also contribute by suggesting international incident scenarios, which are worked out in the context of the National Risk Assessment of the National Security Strategy. As well as dealing with existing shocks from the Future Policy Survey, the analysis of strategic shocks also looks at important possible additional shocks.

The Monitor provides input for further discussion about world developments and the possible consequences for global security and stability. It cannot, however, provide the absolute truth about the direction the world will move in. Nevertheless, this informed contribution aims to contribute to public debate and a well-rounded political decision-making process.

Although in the Monitor the implications for security and defence policy are explicitly worked out, particularly for the Armed Forces, the findings in this report and of the separate analyses can be interesting to a wider audience. The analyses of several topics (driving forces and actors) are useful for anyone interested in gaining more insight into developments in the international security situation. Ministries and

individuals responsible for their organisations' strategy formation are part of the target group. The Clingendael Strategic Monitor is therefore a reference document for organisations wishing to single out the most important risks when they are designing strategic policy. The Monitor will appear annually.

METHODOLOGICAL IMPLEMENTATION

Analysis of the driving forces and actors from the Future Policy Survey boils down to an analysis of the actors and factors that determine the international system and the security environment of the Netherlands and the Kingdom in particular. In the report, developments on the different topics are analysed separately.

The **driving forces** are:

- Globalisation
- Economy
- Natural Resources
- Climate Change
- Science and Technology
- Proliferation of Weapons of Mass Destruction
- Polarisation and Radicalisation
- The Conflict Spectrum

The **actors** are:

- Great Powers
- Fragile States
- High-Risk Countries
- Non-State Actors and Individuals
- International and Regional Organisations
- Dutch Society
- Caribbean Parts of the Kingdom

Every driving force and actor is analysed on the basis of the previously indicated set of sub-questions, which as much as possible are answered in the same manner. Each development in the different topics is added up in a focused, structured manner in the Conclusion. On the basis of these analyses, overarching and overriding conclusions are drawn about developments in the world as a whole, as well as their implications for global security and stability.

The scenario methodology used in the Future Policy Survey is adopted to discuss the direction the world system is moving in, meaning all driving forces and actors taken together. For each driving force or actor, it is attempted with the first two questions – regarding the events and trends of the past year and a view to the next five to ten years – to place the identified trends and developments in the scenario grid of the Future Policy Survey and to translate them to the four quadrants (see Figure 1 on page 3). In the overarching analysis in the Conclusion, all assessments about the developments are joined in the scenario grid and the direction the world system is heading in within the quadrants can be assessed: more or less cooperation and more or less influence for non-state actors. Finally, which direction the world has moved in during the past year, and the assessment for coming years, can be determined: 'Will the world become more Multilateral or Multipolar? Or does the world system have more traits of the Network or the Fragmentation quadrant?'

As well as keeping track of the development of future scenarios, it is also important to map which sudden events or developments might occur that

could have consequences for the security of the Netherlands, the Kingdom and/or the Armed Forces. In the Clingendael Strategic Monitor, therefore, developments are followed concerning the strategic shocks identified in the Future Policy Survey. The strategic shocks relevant to each topic are reviewed as to whether they have become more or less likely. Possible new strategic shocks are also worked out.

The contributors to this report are almost all researchers at the Clingendael Institute or the Clingendael International Energy Programme. Contributing external authors were Edwin Bakker, Professor in Terrorism and Counterterrorism at Leiden University and Henri L'Honoré Naber, from Safer Seas Consultancy.

Researchers who contributed to the Clingendael Strategic Monitor were free to use whatever methodology they generally use in their field of study and which would provide the best data. Most research consisted of a literature study, but for some topics quantitative datasets were also consulted and background information was gathered through interviews. During the drafting of the analyses and the conclusion of the final report, the authors took part in brainstorm sessions to identify crosscutting issues and diverging developments between the different driving forces and actors.

DISCLAIMERS – WHAT THE CLINGENDAEL STRATEGIC MONITOR DOES NOT DO

This report is the result of a pilot trajectory. The thematic and overarching analyses were composed in the last three months of 2011. The pilot-trajectory will be extensively evaluated



on, among others things, methodology and approach, before continuing with the 2013 Clingendael Strategic Monitor.

The current set-up of the Clingendael Strategic Monitor builds on the approach of the Future Policy Survey. In general, elements from the Future Policy Survey final report were handled pragmatically, although the aim has been to stay as close as possible to the original methodology.

Firstly, analyses in the Monitor are longer and more extensive than those in the Future Policy Survey. The titles of the topics in the Future Policy Survey were kept, but the content of the driving forces and actors sometimes differs from the manner in which these topics were dealt with in the Future Policy Survey. This is primarily in relation to the framework of the above mentioned sub-questions, which is followed with every topic. For example, for the Strategic Monitor it was decided to work out the topic Conflict Spectrum completely according to this framework, including implications for the Armed Forces. This was not done for the Conflict Spectrum topic in the Future Policy Survey.

There is also a difference in the content of the Globalisation topic. In the Monitor, the focus is mainly on (political) manageability and on controlling the consequences of this worldwide process. With the topic Great Powers, Japan is not included in the Monitor analysis because of a temporary lack of expertise within the Institute. The non-European regional organisations are largely disregarded within the International and Regional Organisations topic for the same reason. Furthermore, for this first edition there was no

expertise within the Institute about criminal organisations for the Non-State Actors and Individuals topic. And the actor Dutch Society is more focused on the relationship between Dutch Society and the Armed Forces, compared with the Future Policy Survey.

Demography, one of the driving forces analysed in the Future Policy Survey has not been taken into account in this edition of the Monitor due to a sudden lack of expertise within the Clingendael Institute in the field of demography. The theme mass immigration is touched upon, however, in the Globalisation and Climate Change chapters. In the next Monitor we will endeavour to include all driving forces and actors in the analysis.

There are no policy recommendations in the Monitor. Although implications for the Armed Forces are derived from the analyses, the Monitor does not go as far as the Future Policy Survey in developing policies or advice for instruments in support of security policy or for the composition and equipment of the Armed Forces.

Since the 2012 Clingendael Strategic Monitor is a pilot project, the authors have been given the freedom to write in their own style. Part of the evaluation will be to review which method and style suits the exercise best. Although it was attempted to create as much uniformity as possible in the levels of analysis and the normative standpoints of the chapters, it goes without saying that the authors have different visions and different analytical emphases. These different levels of analysis are gathered in the final chapter to provide a unified conclusion. Finally, but perhaps most importantly, the

Monitor does not make predictions about the future or about how insecurity and instability will manifest themselves in the world. It identifies trends and developments and comments on the probability that these trends and developments will persist in the next five to ten years. Although predictions are not possible, the different directions and options for the future are mapped and explored.

REPORT STRUCTURE

Events and developments concerning eight driving forces and seven actors are discussed in the Monitor. Each chapter describes a topic and a driving force or actor. Every topic is uniformly established, starting with a short introduction to the subject which is then defined and framed. The five questions are then answered per topic: events and developments in the topic in the past year; probabilities and uncertainties in the next five to ten years; strategic shocks; insecurity and instability in the world, as well as winners and losers of recent and future developments; and the implications of these issues for Dutch security policy and the Armed Forces. In answering the first two sub-questions, whether – and, if so, in which direction – each topic is moving is looked at within the scenario grid of the Future Policy Survey. In this way, the future scenarios help to place the events and developments in a framework. Each topic ends with a conclusion. The report ends with general conclusions about the findings from the analyses of the driving forces and actors. Events and developments are brought together and overarching remarks are made on possible future developments in the international system. Probabilities and

uncertainties in the field of international security are made clear, with a particular focus on the implications of these developments for Dutch security policy and the Dutch Armed Forces. The conclusion also contains an analysis of international trends that have occurred since the publication of the Future Policy Survey in May 2010. The direction in which the separate driving forces and actors may develop in the next five to ten years and the speed at which this transformation may take place is also looked at.

The research process is reflected on briefly and some preliminary lessons from the 2012 Clingendael Strategic Monitor are discussed in the chapter ‘Reflection on the methodological approach’. The general conclusions of the Monitor are described in the English summary below.

MAIN FINDINGS

The **three main conclusions** of the 2012 Monitor are:

Firstly, based on the scenario analysis **the world is located in the Multilateral quadrant of the scenario grid developed in the Future Policy Survey** (see Figure 1 on page 3). Cooperation (still) prevails, while the international system remains largely defined by the state. Within the complex framework of developments in the international system, two **overarching trends** can be detected: **within the international system cooperation between states is more strained; and within the international system the number of non-state actors is increasing and growing in influence**. Therefore, it is **probable that in the**



next five to ten years the international system will move to the Multipolar quadrant, namely state-centric, and that non-cooperation will prevail.

Secondly, the international system has moved to a more uncertain situation. This conclusion is based on three threads in the analysis below:

- a) Compared to the Future Policy Survey scenario grid, the Monitor scenario analysis shows that over the past year the driving forces and actors have moved to the zero point of the scenario grid. The closer they get to this zero point, the more uncertain and diffuse the international situation is. The world increasingly resembles all four quadrants.
- b) In comparison to the Future Policy Survey, in the Monitor the relative weight of identified uncertainties has increased in comparison to the probabilities. In other words, the actor and factor analyses also show more insecurity.
- c) According to the analyses, many of the shocks identified in the Future Policy Survey, as well as additional shocks identified in the Monitor, have become more likely. Usually, the consequences of these shocks cannot be foreseen. In the coming five to ten years, the probability of upheaval in the international system, which therefore becomes more uncertain, seems to increase.

Thirdly, although the international system has not actually become more insecure in the past year, uncertainty – and with that, the risk of insecurity – has increased. Moreover, in many

cases this uncertainty has moved from the question ‘Is the world becoming more secure or more insecure?’ to ‘Will the current level of security be maintained or will the world become more insecure?’ The probability that the world will become safer in the coming period has decreased.

PROBABILITIES AND UNCERTAINTIES

Previously discussed expectations for developments in the next five to ten years are anything but certain. They are not predictions, and are dependent upon the probabilities, uncertainties and strategic shocks to be discussed later. In separate chapters on the actors and factors, the probabilities and uncertainties are each described per driving force and actor. In this section they are presented in clusters and compared to the uncertainties and probabilities as recognised in the Future Policy Survey.

Probabilities

Some developments found in the Monitor which are considered probabilities were also named as such in the Future Policy Survey, while some were considered uncertainties in the Future Policy Survey. New probabilities were also found in the Monitor, while some probabilities from the Future Policy Survey were not found in the Monitor. The probabilities are presented in this order below.

Probable in both the Monitor and the Future Policy Survey

Both the Monitor and the Future Policy Survey expect **the West to have a less dominant position**. The role of the Western world, of which North America and Europe make up the core, has decreased faster than expected in the past

one-and-a-half years. There is weak economic growth in the European Union (EU) and the United States (US), while the rapid growth in the BRICs continues. China’s economy could possibly surpass the US economy within five to ten years. Due to the global financial crisis, India, Brazil and China gain influence in the IMF. Furthermore, Western influence in fragile states is decreasing in favour of the BRICs, the Gulf states and other non-traditional actors. Finally, the appeal of the Western neoliberal model is dwindling, which also reduces the ‘soft power’ of the West. The rising powers are competing for resources, spheres of influence and status, while the dominant position of the West is diminishing. This division among the great powers translates into an increasing lack of leadership worldwide. Whether the rise of the rising powers will progress peacefully is an uncertainty that is discussed below. Although the US will remain the most important military power by far, despite the debt crisis, it will shift its attention in the field of security and defence politics to the Pacific area. In other regions it will be more tempted than before to continue the ‘leading from behind’ approach utilised in the Libya intervention, and establish partnerships with regional powers, as in the case of the Ethiopian and Kenyan interventions in Somalia.

The **continuing instability in the ‘belt’ that runs from Latin America through Africa and the Middle East to South and Central Asia** remains as a probability from the Future Policy Survey. This ‘belt of instability’ of traditional problem areas remains very unstable and vulnerable to political unrest, extremism and forms of organised criminality. Somalia, Pakistan and

Afghanistan are just a few examples of fragile states, while the instability in the Middle East and North Africa (MENA) region, especially Yemen, Syria and Libya, has been added. Furthermore, the situation could still deteriorate in high risk areas such as Iran, Israel and the Palestinian areas, North Korea, Kashmir and Georgia. At the same time, the willingness of, and the political and economic leverage for, traditional Western actors to play a significant part in fragile states is decreasing.

A **dynamic conflict spectrum** also remains a probability. Most conflicts stay intrastate and hybrid. The consequence is that irregular methods for struggle and a possibly changing intensity of violence remain probable. Non-state groups remain active, diversify irregular methods for struggle and establish new military coalitions in poor and fragile countries with a history of conflict. Furthermore, new hybrid groups develop, which mix political struggle with criminal violence on a transnational scale.

Technological developments are likely to continue and progress. Convergence between Nanotechnology, Biotechnology, Information technology and Cognitive science (NBIC) is essential for a ‘new technological wave’ that also gains military applications. Both state and non-state actors will have capacity over NBIC products and other new technologies. One possibility is an ‘internet of things’, which increases the probability that a digital attack, sabotage or disruption has great social, economic and/or military consequences. Some technical applications, such as satellite protection, anti-satellite weaponry and weapon systems in



space, will probably remain in the hands of the state.

Growing pressure on the world's 'public spaces'. The Monitor confirms the finding from the Future Policy Survey that there is an increasing amount of pressure on the 'free sea', the atmosphere, space and the internet. It is probable that piracy will continue to increase over the next five to ten years. No internationally binding agreements about greenhouse reductions are to be expected. Due to the militarisation of space, insecurity in this domain is likely to increase. Insecurity in the digital domain increases as a result of the widespread use of digital information and communications technology and open access to the digital domain. In all these cases governments do not seem to be able to remove that pressure. In some cases they are not capable of cooperating enough for this purpose. In other cases they do not have the power to impose their will on the non-state actors active in these fields.

From uncertain to probable

While Will the process of globalisation continue? remained a question in the Future Policy Survey, the Monitor finds that globalisation is moving forward. The governance of this global environment is, however, not on a par with developments.

The Monitor finds that **the non-proliferation regime is under pressure.** While in the Future Policy Survey Will the nuclear non-proliferation regime last? was an uncertainty, in the Monitor this has become less uncertain because

expectations have become more negative and strategic shock in this field more probable. Until these strategic shocks take place, however, the status quo will be maintained. The development of the Iranian nuclear programme continues and Teheran is probably acquiring the ability to produce nuclear weapons. It is less probable that, in practice, Iran will openly become a nuclear weapon state. At the same time, non-state actors will probably not succeed in acquiring weapons of mass destruction and using them. The struggle against the proliferation of weapons of mass destruction will mostly remain a multilateral affair.

One of the two key uncertainties from the Future Policy Survey was: *Is our security determined by state or by non-state actors?* The Monitor finds that **the influence of non-state actors is increasing.**

Thus, although the Monitor considers the relative rise of non-state actors a probability, the speed of this, as well as the question of how far this rise will go, is still unknown. It is uncertain to what extent state actors will keep their technological superiority with non-state actors' access to new technologies. If they lose their superiority, this could become a game changer. The rise of non-state actors has both positive and negative consequences. On the one hand there is a need to reckon with a growth in piracy in the next five years. On the other hand, social media, for example, provides an emancipating instrument to civil society and movements, and networks of non-governmental organisations seek more compatibility with international policy agendas and linkage with regional and global international organisations. Moreover, as the

industry develops, there is more and more self-regulation, especially in the absence of a legal framework.

New probabilities (not found in the Future Policy Survey, but in the Monitor)

There is a Politikverdrossenheit (political disillusionment). As a consequence of, among other things, the fact that politicians and the government have little grip on globalisation, the people's trust in both is decreasing. More often this dissatisfaction leads to extremism and rightwing populism, as well as to broad (if not mass) public protest, such as the Occupy movement. In addition, international institutions are under fire and there is a call to focus on national solutions. The critical stance regarding further European integration, both socially and politically, will probably remain great. The economic and debt crises, as well as the further nationalisation of sought solutions, increase the likelihood that there will be less attention paid to situations that at first sight do not seem of national importance. As a consequence, there is a greater chance of insecurity in some regions. In the long term, this could have an effect on national security.

The economy will find itself in troubled waters for the time being, but will eventually recover. The global economy will probably remain unstable for a long time, with strong fluctuation of exchange rates and increasing inflation in the US and EU. The IMF will make harsher demands on the (European) economies. The most likely scenario is that the Euro zone will not fall apart and economic growth and

trade will pick up. During this process, the Netherlands remains internationally oriented in economics.

Climate change persists. There will be more extreme weather, as well as further rises in temperature and sea level. At the same time there is only a small chance that this will lead to internationally binding agreements about reductions in greenhouse gasses.

The energy market is strained and Dutch interests are under pressure within the EU.

The policies of energy-producing and energy-consuming countries are likely to be non-cooperative. The EU's endeavour towards a joint energy policy is not translating into practice. Dutch industrial and trade interests will come under pressure within the EU. Also tensions outside the EU, in the Caspian Sea and south-east Mediterranean region, will increase. In the middle- to long term, investments in big energy projects will slow down, but the production and development of sustainable energy will experience further growth.

The status quo regarding North Korea

continues. It is probable that the regime in North Korea stays in power and continues to carry out its policy regarding nuclear weapons. International division over the approach to this high-risk country will also continue. In particular, an implosion of the regime or a rash decision by Pyongyang would imply a strategic shock. Such a shock, which has lately become more likely, could cause great insecurity.



Terrorism is a lasting problem. In particular lone-wolf terrorism threatens to be an increasing risk. Due to the great number of failing states in the MENA region, jihadi terrorism could also gain momentum. Despite a potential increase of radicalisation and polarisation, the state remains the dominant actor in this field, prevailing over terrorist groups. This is a consequence of the stronger position of the state and increasing intergovernmental cooperation in combating terrorism.

The Dutch Armed Forces are under pressure.

The current cutbacks have a profound impact on the organisation of the Armed Forces, which means they can only be deployed to a limited extent until 2014. In the case of possible extra cutbacks, Defence will probably not be included. The Armed Forces are therefore also becoming an unattractive employer.

The Caribbean region will remain dependent on different, mostly Western, actors.

International and Dutch involvement in the Caribbean region remains large. The integration of the three 'municipalities' in the Netherlands will probably be concluded successfully. The economy of the Caribbean Netherlands will remain largely dependent on the tourism industry. In addition, the Caribbean Netherlands remain dependent on the Armed Forces for both combat against international criminality and emergency aid after natural disasters.

Probabilities from the Future Policy Survey not found in the Monitor

Growing pressure from migration on (the borders of) the European Union. Even though

the driving force Demographics has not been taken up in this Monitor, there are indications that migration is a much more uncertain element than expected. With the economic crisis the EU seems to become less attractive for migrants and there is less demand for cheap migrant workers. Because of this, flows of migration shift to rising regions. This does not affect – and is a separate issue from – the fact that polarisation in Dutch society between 'old' and 'new' population groups and between adherents of an 'open' or 'closed' societal model remains.

The power of perceptions. This probability appears to be an absolute truth, but did not come up in any of the analyses on driving factors and actors. Then again, in 2011 there has not been any indication that the speed at which news is spread will decline or that the 'battle of the narrative' will become of less importance for the Dutch Armed Forces.

Growing strategic importance of the area surrounding the Indian Ocean for Europe.

No indications have been found that the importance of the area surrounding the Indian Ocean is either growing or decreasing. Neither is it to be expected that Europe, or the Netherlands, will play a leading military part. It does seem that the Pacific region is increasing in importance globally. This is evident, for instance, from the stronger US focus on the region and the resulting decrease in attention from Washington DC on Europe and the Middle East. From this perspective, it is even likely that Europe will have to look after itself more and should focus more on stability and insecurity near its own region.

Uncertainties

The uncertainties discussed below are clusters of the uncertainties identified in the chapters on the driving factors and actors in the Monitor. Again, they are compared to the findings in the Future Policy Survey. Some uncertainties have been found in both the Monitor and the Future Policy Survey, some uncertainties were still considered a probability in the Future Policy Survey, and new uncertainties have been found. In addition, there is an uncertainty that was identified in the Future Policy Survey, but not in the Monitor. The uncertainties are listed in that order below. *Uncertain in both the Monitor and the Future Policy Survey*

Will the rise of new powers develop peacefully?

This uncertainty remains in the Monitor. The previously described probability that the West will lose its dominant position leaves room for the rise of new powers. This leads to growing rivalry between the US and China. For instance, the US strives to remain a leading security actor in Asia, while China wants to take up this role. This brings about uncertainty concerning the future US role in the region as well as regional stability. Moreover, the outcome is not yet clear of attempts by Brazil and India to become permanent members of the UN Security Council. The success or otherwise of this endeavour, as well as the reaction of these countries if permanent membership stays an unfulfilled promise, remains uncertain. Furthermore, it is probable that the BRICs, the Gulf states and, in time, other non-traditional actors, will compete more for influence in fragile states, mainly to gain access to raw materials and other natural resources. However, the interdependence

between these powers is so great that – despite increasing competition – actual warfare, the use of weapons of mass destruction or large international security threats, is unlikely. The (shared) interests are too important. Ultimately, domestic economic growth remains of the utmost importance to the rising powers, so much so that, when push comes to shove, they are likely to continue to cooperate multilaterally.

What is the future of global governance? This is an uncertainty in the Monitor, which consists of three uncertainties from the Future Policy Survey:

'Will NATO remain the cornerstone of European security?' *'Will the European Union manifest itself as a political and military power broker?'* and *'How will the United Nations develop?'* It is uncertain how old systems of global governance cope with the fast changing and globalising world. Globalisation and the current financial crisis test the relevance and decisiveness of essential international organisations, including the IMF, NATO and the EU. Multilateral organisations, such as the UN, are less capable of swift and effective action, due to their large number of member states, the differences between member states, complex decision-making process and diverging interests. NATO is susceptible to tensions on the transatlantic axes. It is questionable if this cooperation will continue to run as smoothly when defence budgets decrease further as a result of the Euro crisis. The EU is confronted with uncertainty over whether or not it will recover from the Euro crisis. Even for the driving force, Economy, this is a key uncertainty. The EU's political capacity for action appears limited at the moment. However, until now the EU has emerged strengthened from each crisis and



crises have often been the basis for a deepening of European integration. In the field of security and defence policy, the EU is mostly hindered by decreased European financial capabilities, by internal divisions concerning the further role of the organisation for security and defence policy, and by leadership within the Union. Both the EU and, in particular, NATO are increasingly becoming like a 'toolbox' for ad hoc coalitions, with their performance strongly dependent on the leadership of individual countries. More generally, it is questionable whether regulating and supervising bodies will get a grip on important trends and sectors, or whether the international system will slide into anarchy. States and international organisations are confronted with the increasing influence of non-state actors. How they respond is uncertain. Will they embrace these new actors and take them in as allies in a network, or will they engage in confrontation and cast out non-state actors? There also seems to be less room for classic multilateral solutions due to increasing division within the system. This raises the question of whether *multilateralism light*, thematic groups and *ad hoc* coalitions are the future.

Will more conflicts arise as a result of the growing scarcity of natural resources? The Monitor expects potential incidents in energy relations between the EU and Russia and conflicts in North Africa, the Middle East and the Caspian Sea area. Concerning other scarce raw materials, such as the so-called *rare earths*, it is often the case that they are especially scarce because environmental considerations mean it is not allowed to extract these materials in the West. The excavation of shale gas has also drastically

changed the position of the US on the energy market, as it has become more autonomous.

What are the consequences of climate change for national and international security?

Climate change persists and the consequences are uncertain. It is, for instance, unclear where natural disasters will occur. Climate change can also have positive consequences. With accelerated melting of the ice on the North Pole, there will be new passages for shipping and access to new gas and oil reserves. This could lead to more tensions between countries over who is able to claim these new economic sources for profit.

How far does polarisation in Dutch society go?

Both the nature as well as the scope of societal polarisation is uncertain. Will the level of polarisation increase or decrease? And if it persists, will that be along economic, religious or ethnic lines, or on the basis of level of education, level of income and/or the contrast between 'left' and 'right'? When polarisation develops along ethnic/religious lines, especially, it depends heavily on incidents such as terrorist attacks and external *triggers*, as well as the reaction from politics. It is therefore also dependent on the political climate. The risk exists that, as a consequence of action and reaction, chain reactions occur, with – in a negative spiral of polarisation and radicalisation – among other things, an increase in terrorism. At the same time, more resistance and resilience against terrorism would be able to prevent this.

What does the financial / economic crisis mean for national and international security?

Although it is certain that the economy will

be in heavy waters for the time being but will eventually recuperate, the consequences of the crisis are uncertain. How deep will the economic and monetary (Euro) crisis eventually become and when will the economy stabilise? It is also uncertain if 'Southern' economic culture will change. How big will inflationary pressures become in, among others, the US, China and the EU? How severe will the expected corrections in China and Japan be? What will be the effects of the crisis on economic developments in the entire Caribbean region? And, while the sustainability of the Euro zone is probable, the strategic shock that the Euro zone falls apart can no longer be ruled out.

From probable to uncertain

Is the physical security of the West, and especially the EU, still guaranteed?

In the Future Policy Survey, *the growing vulnerability of Dutch society to mass disruption and 'combined' threats* was identified. The conclusion, that it is unlikely that the territory of the Netherlands will be confronted with a large-scale conventional military threat, but that an attack on NATO territory cannot be ruled out, remains relevant. The vulnerability of Dutch society to non-conventional and non-military threats and influence from outside also keeps increasing, which could seriously disrupt its functioning. This brings about uncertainty over security. A combined attack in which non-state groups and a state cooperate and in which advanced military technology is used, has become a possibility. The possibility that Europe will be a target for missile attacks is rising, although it is still a remote scenario. A terrorist attack with weapons of mass destruction remains unlikely, but cannot be

excluded. The international response to these potential shocks, especially, would be of great importance and would make the situation very uncertain.

How stable will the Caribbean remain? In the Future Policy Survey, *infringements on law enforcement in the Caribbean parts of the Kingdom* were already identified. Worsening of that situation was considered a probability. In the recent past, the situation seems to have worsened further, making the political stability of the entire region uncertain. An example is the increased grip of organised crime on local governance in Mexico and other countries in Central America, a situation that could spread in the region. The political stability of the Venezuelan and Cuban regimes could be compromised and that could have an effect on the wider region. At the same time, with ongoing budget cuts, the scope of the Dutch military presence and its capacity to contribute to the security of the Caribbean parts of the Kingdom is uncertain.

New uncertainties not in the Future Policy Survey, but in the Monitor

In which direction will norms in the international system develop?

Even though Responsibility to Protect (R2P) seems to resonate as a concept – which appears to limit the sovereignty of states – Western norms such as free trade and democracy are under pressure. The shift in the international power balance to, among others, China, also gives room to other, Chinese, norms. In fragile states the 'Washington consensus' could make way for the 'Beijing consensus'.



What are the consequences of the Arab Spring? The future of the MENA region is uncertain. The question is whether transitions there will lead to stable states with a democratic foundation, or to very weak and/or authoritative and unaccommodating governments. The Arab Spring could introduce a new democratic wave, but it could also be the beginning of more Islamist governments. Some doubt, for instance, the moderate course of the Muslim Brotherhood. It is also uncertain what the foreign policy of a potential new regime, for example in Damascus, would be and whether the new governments will be welcoming to Europe and the US.

In which direction are Afghanistan and Pakistan developing? For Afghanistan, 2014 is the determining 'make-or-break' year. What will happen in Afghanistan after the withdrawal of international troops? Although success of international attempts to stabilise the country cannot be fully discounted, an implosion of formal governmental structures, a revival of traditional forms of authority or the Taliban, and a violent power struggle must be considered. Pakistan also remains unstable. There is a risk that the country will slide into a 'failing state'. Moreover, the role of India in this matter stays important, because an Islamist government in Islamabad, such as the likes of the Taliban, could potentially lead to the use of nuclear weapons in a regional conflict.

Will international measures against piracy succeed? Even though an increase of piracy must be taken into account in coming years, it is uncertain what international attempts to counter

this phenomenon will produce. For this reason, among others, the causes of piracy should be addressed. They need to be countered on shore, and it is uncertain if the international community is willing and able to do that.

How will the situation surrounding Iran develop? Although maintenance of the status quo concerning Iran remains probable, the strategic shock that Iran would obtain nuclear weapons or that Israel, together with the US, intervenes prematurely has become more likely. The uncertainty that would follow this is so great that it is important to include it with the uncertainties. The international response to such a shock, especially, is of great importance. If pre-emptive action is taken, it is questionable how this would influence Iran, the Palestinian areas and the Arab world in general. If Iran indeed obtains nuclear weapons, this could spark a chain reaction for other countries in the region to aim to acquire nuclear weapons. Moreover, international division regarding Iran in such a case could damage the UN Security Council's capability for action in other areas.

How stable will North Korea remain? Just as above with Iran, it is probable that the status quo regarding North Korea will be maintained, but the strategic shock that the country destabilises or that the regime carries out an unexpected action has become more probable. With the death of Kim Jong-Il, the chance that the regime will collapse has increased slightly. It holds that, for this shock also, the uncertainty that would follow is so great that it is important to include it as an uncertainty. This concerns instability in one of

the most important economic regions, the Pacific area. Again, the international response here is especially important, but uncertain.

How will the energy market develop? 'Energy politics' are increasingly multipolar; a world in which a gas cartel is possible, and the energy price is decided from the side of OPEC and the International Energy Agency (IEA). New investments in the energy sector will be necessary, but the question is whether governments want to contribute to this. The pace of sustainable development of the energy sector is under pressure. The nuclear industry was dealt a blow by the nuclear disaster in Fukushima, Japan, but the coal industry enjoys a low CO₂-price, while making fuel more environmentally friendly suffers from the economic crisis.

Can the security issues that result from technological development be contained? Some issues are immediately obvious. For example, will weapon systems that have been placed in space, or are aimed against targets in space, be used? What the risks of nanotechnology are for humankind and the environment is also a question.

Probabilities from the Future Policy Survey that were not found in the Monitor

There was one uncertainty in the Future Policy Survey that was not identified in the Monitor.

How will Russia develop? It is unlikely that Russia will once again become a fully-fledged pole in the international system or that it will pursue this goal militarily because it does not have the capacity for it. The country is therefore

not considered a security threat. Moscow can, however, as a regional power, come into conflict with neighbouring countries, or sail close to the wind on the energy market. Furthermore, Russia plays an important part in the UN Security Council and energy conflicts could lead to obstruction on other dossiers, such as Iran.

Conclusion: Relatively more uncertainties in the next five to ten years

Looking at the probabilities and uncertainties described above, compared to the Future Policy Survey there is a growth in the number of identified uncertainties. A couple of probabilities from the Future Policy Survey have become more uncertain. The conclusion has to be that, on the basis of the above analysis, the world has become more 'uncertain'.

STRATEGIC SHOCKS

Both the identified strategic shocks from the Future Policy Survey as well as new shocks named by Monitor researchers were reviewed in this Monitor. In the table below, the shocks from the Future Policy Survey have been represented in **bold** and the added shocks in roman text. These shocks have been worked out with the separate driving forces and actors. How probable each shock is noted on a four-point scale, ascending from improbable, unlikely to possible, and with one shock as probable in certain cases. Where there has been a change in the probability of a shock in the past one-and-a-half years, this is indicated. The shocks have been organised per theme. Some shocks in the Monitor were, however, dealt with in several chapters on actors or driving forces. Below is the average assessment in those cases.



Title of strategic shock	Degree of probability	Change
Globalisation		
Loss of leadership and guidance in the system	possible	unchanged
Large scale riots in big cities	possible	more likely
Economy		
Euro zone falls apart	unlikely	more likely
Supply lines blocked; Netherlands economy in crisis	unlikely	unchanged
The Chinese bubble is underestimated	possible	unchanged
The Japanese economy in a downwards spiral	unlikely	unchanged
Demographic developments in the EU threaten pension systems	possible	unchanged
Natural resources		
Energy resources and raw materials exhausted at increased rate; no alternatives available	improbable	more unlikely
Russian retaliation on the oil and gas market	unlikely	unchanged
Climate change		
Severely accelerated global warming; mankind faced with climate catastrophe	improbable	slightly more likely
Large parts of the Netherlands under water	improbable	more likely
War in the North Pole area	improbable	unchanged
Science and technology		
Western military dominance negated	improbable	more likely

Large-scale outage of information systems and financial transaction systems following digital attack	possible	more likely
Digital attack on the United States	possible	more likely
Combined NBIC technology provides air-tight digital identification, verification and tracing	improbable	unchanged
Proliferation of weapons of mass destruction		
Nuclear weapons are used in regional conflict	improbable	unchanged
Europe targeted by a missile attack	improbable	unchanged
Iran in possession of nuclear weapons	possible	more likely
Polarisation and radicalisation		
Serious disturbances in large cities after assassination attempt	unlikely	unchanged
Islamic radicals seize power in Middle East	possible	more likely
Extremist party comes to power (in Europe)	likely/improbable	more likely
Military intervention by the United States in the Islamic world	unlikely	unchanged
Recognition of the Palestinian state	unlikely	unchanged
Islamic regime in Iran collapses	unlikely	unchanged
Conflict spectrum		
Civil war in Eastern Europe	improbable	more likely
Great powers		
US fails to recover from economic crisis; decline of US power	unlikely	more likely
Russia attacks NATO and EU member state	improbable	unchanged
Superpowers become embroiled in military conflict	improbable	more likely



China becomes embroiled in internal power struggle and civil war	unlikely	more likely
India becomes embroiled in internal struggle for power and civil war	improbable	more likely
Collapse of Russia	improbable	unchanged
Fragile states		
Genocide	possible	unchanged
Implosion of central authority in Pakistan	possible	less unlikely
High-risk countries		
Regime in North Korea collapses	possible	more likely
Iran abandons Non-Proliferation Treaty	possible	more likely
Large conflict between Israel and Islamic countries	possible	more likely
Non-state actors and individuals		
Organised crime becomes entrenched in Europe	unlikely	no shock, but process
Terrorists carry out a major attack in Netherlands' territory	possible, with WMD improbable	unchanged
Overreaction of states to terrorist attacks	possible	unchanged
Democratisation in the Arab region	possible	more likely
International and regional organisations		
NATO falls apart	improbable	unchanged
Dutch society		
The Dutch army loses one key task	improbable	more likely
The police cannot enforce public order	improbable	unchanged
The Dutch army is completely incorporated in a European army	improbable	more likely

The Caribbean parts of the Kingdom

Venezuela occupies Curaçao and Aruba	unlikely	less likely
Declaration of independence by country(ies) within the Kingdom	unlikely	unchanged
State authority in Caribbean area or Central America collapses and criminal organisations take power	possible	unchanged
Withdrawal of US from Caribbean area	improbable	unchanged

Table 1: Strategic Shocks Clingendael Strategic Monitor 2012

It is striking that many of the strategic shocks described in the Future Policy Survey have become more likely, which points again to an increased degree of uncertainty in the international system.

WINNERS AND LOSERS

The potential winners and losers of developments in the next five to ten years can be explored based on the expectations described above regarding developments in the scenarios – the probabilities and uncertainties, and the strategic shocks.

Looking to the future in terms of winners and losers, one often starts with the great powers. However, it is questionable whether these terms are relevant here, because great powers are strongly interconnected and because the losses of one do not necessarily lead to a gain for the other. For instance, the Euro crisis also has negative effects for the US and China. The

influence and status of Brazil, India and China is growing, while that of the EU, the US and Japan is decreasing. Russia takes up a position in the middle. The EU and the US appear to lose capacity for action, due to the debt and Euro crisis, especially now that more budget cuts on defence (could) lie ahead. Also, within fragile states, the BRICs are gaining influence and the West more often misses the boat with economic opportunities. **Nonetheless, little is certain.** Even though the US will probably not become a winner soon, it does not necessarily have to end up a loser. In the past, the US has proven to be a very resilient economy. Certainly, for the time being the country will remain the biggest military power by far, with a very big political influence. In a more multipolar world, the EU belongs more clearly to the losers. Although, when the EU is able to recuperate and, as before, comes back stronger from the crisis, it could actually gain influence. At the same time, **China does not necessarily remain a winner.** The



Chinese economy could prove to be a bubble and the country could be lost to internal division, ultimately causing China to become a loser.

In a world of a more multipolar character, **high-risk countries** can make use of decreased international cooperation and growing division. They **could become future winners**. Concerning **the energy and raw materials market, producers in the Middle East, Russia and Turkmenistan are the winners**, as well as **state-driven oil and gas companies**, such as those in **China**, and **the US**, with its technology to excavate shale gas. **The Netherlands could also become a winner as a trade and transport country**. Furthermore, it is probable that **the West, the BRICs, South Korea and Japan maintain their technological edge**. **The poorest countries and the poor within countries are the biggest losers**. Polarisation of income seems to increase, especially in a more multipolar world where there is less international solidarity. In addition, there is an entire line of non-state losers, including the financial sector and eventually the states in which this sector is relatively big, or the shipping sector, as a consequence of piracy. There also seems to be new non-state winners. Civil movements and the populations they represent could become winners of the Arab Spring. In which case, jihadism could belong to the losers. However, that is certainly not the case for now in countries such as Somalia, Afghanistan and Pakistan. Jihadists could even end up being winners in a couple of countries, through elections as well as due to instability in the region. Speculators on the food

market and in the shipping sector who are able to travel past an ice-free North Pole to Asia are the winners of climate change. Pirates, their bosses, and the private security companies and insurers that support the shipping industry are the winners of piracy. **Technological development will probably include both state and non-state winners**. After all, progress provides opportunities for governments, companies and citizens, as well as threats by criminals and activists.

It is not just laggards in fragile states that lose out with globalisation. **Laggards in the West, for example in the Netherlands, are relative losers. They cannot keep up with the processes of globalisation and could become increasingly frustrated**. While the populist-right, particularly, will win out **when polarisation in the Netherlands continues**, the political middle, but **eventually the Netherlands as a whole, will lose out**. Political discourse that has polarised to the populist right can lead to the Netherlands' international reputation being damaged. Such a discourse can also be used by radical jihadists to recruit fighters willing to use violence against the Netherlands, its citizens, possessions and interests.

INSTABILITY AND INSECURITY IN THE WORLD

This section explores further to what extent the above-described developments have consequences for instability and insecurity in the world in the next five to ten years. With every category of instability or insecurity, a brief assessment of the chance, as well as the impact on the Netherlands, is given.

The above-described developments mean

that, **although the chance of war between the great powers, namely China and the US, has increased marginally in the past year, this remains unlikely (high impact, but small chance)**. Globally there is a realisation that there is a very strong (economic) interconnection, interdependence and linkage between each other, which forces the great powers to work together, despite potential differences of opinion or interests. There is a global **'peace dividend'** so to speak. The outbreak of the First World War, however, is proof that economic interconnection is no guarantee for peace. Furthermore, the rising powers are building a military apparatus to project their power. Military power means influence, especially in a more and more multipolar world. Moreover, **tensions are translated into proxy and surrogate conflicts, such as cyber warfare**.

With the increasing Multipolar character of the international system, more and more conflicts occur at the margins of the different poles (usually medium impact, medium chance). This could translate into wars and tensions between rising powers and other regional actors in the struggle to contain spheres of influence. Regional powers will probably also have to look after stability in their own sphere of influence. Such interventions may or may not be supported by the US and the EU. Intensification of partnerships to support such cooperation is probable. By making the concept of R2P opportune, the great powers have created a common language. When there is a lack of consensus, they can legitimise unilateral interventions in their own sphere of influence

under the heading of R2P. At the same time, it is questionable whether with the decreased power of the EU, and to a lesser degree the US, the ideals behind R2P, such as human rights, and the *rule of law* will be served.

For the EU and the Netherlands the nearest conflicts are on the outskirts of the poles in the Caucasus, the Middle East and North Africa.

The position of Russia towards Georgia, the Ukraine, Belarus and Moldova, and the Nagorno-Karabakh conflict, should be viewed from this perspective. The context of the production and transport of oil and gas plays an important part in this regard. **In general, tensions are rising regarding the Trans-Caspian gas pipeline – Russia and Iran versus the US and the EU – and regarding rights for the exploitation of gas in the Levant Basin – between Israel, Syria, Turkey and Cyprus**. Tensions may also rise regarding the passage and supplies of resources in the Arctic sea. However, it is unlikely that this leads to military incidents. Furthermore, it seems that the economic appeal of the EU has decreased for the time being and that military striking power is declining due to budget cuts in defence. Due to this, and enlargement fatigue within the Union, the perspective of EU accession in (potential) candidate member states probably becomes less stabilising. The promise has become less appealing and less credible, which decreases its function for conflict prevention. This probably mainly affects conflicts in the Balkans, as well as relations between Greece and Turkey. The pressure for savings and cuts from Washington also forces the US to make choices. **The**



probable decreasing role of the US in Europe and the Middle East means that it may ultimately no longer be able to guarantee safety. The chance that this would give an impulse to the European defence policy is slim.

Relations between China and the US will also worsen and remain unstable. Several incidents have occurred over territorial disputes in the South and East China Seas. If, with growing Chinese influence, the US holds on to its politico-military position in Southeast Asia, this could in time lead to conflicts. Concurrently, all parties involved support regional institution-building, which decreases the chance of conflict. Finally, **the relationship between India and Pakistan remains problematic, especially because in this conflict there is the greatest chance of the actual use of nuclear weapons.**

The high-risk countries are another security threat, particularly Iran, Syria, North Korea and, to a certain extent, Pakistan (medium impact, medium chance). The situation regarding Iran, especially, presents a very **big threat for the entire region.** The situation should partly be viewed in the context of rising tensions in the energy market. Iran, together with Russia, is of the opinion that the EU is unlawfully interfering in the common interests of the Caspian countries. The Iranian response to this issue also manifests itself in the nuclear case. When Iran actually acquires a nuclear weapon, this will probably destabilise the entire region and result in further proliferation. This could endanger the whole non-proliferation regime, new arms races could emerge and, if these arms

are used, there will be direct consequences for the environment in the Netherlands as well. Moreover, the economic consequences will be severe. A military intervention to prevent Iran from acquiring a nuclear weapon also probably has negative consequences, because it will encourage Iran to support organisations such as Hamas and Hezbollah. In a region that is already more unstable as a result of the Arab Spring, this could have disastrous consequences. The physical security of the allied territory, the Netherlands and its citizens could, through support for terrorism or in time with ballistic missiles, also be endangered. **For the time being, North Korea and Pakistan pose a threat of sliding into a state of fragility, more than being a threat as a high-risk country.** The international legal order and the local population, but also Dutch economic security, are in danger if problems occur in those countries. Finally, although it was not considered as a high-risk country in the analysis, Venezuela deserves some attention. **A Venezuelan intervention in the Dutch parts of the Caribbean is, however, not the most probable scenario.** More likely, Chavez and his successors will follow a more moderate course.

Many counties in the 'belt of instability', as described in the Future Policy Survey, will probably remain fragile over the next five to ten years. This is especially true of the Horn of Africa, West and Central Africa, Haiti, Iraq, Afghanistan and Pakistan (generally low impact, but high chance). However, **with the Arab Spring, the list of fragile states has been expanded by a number of countries in the MENA region, such as Libya, Syria and**

Yemen. In general, fragility can be seen as a threat to the populations of fragile states, but not directly to other states. In most cases the problems remain in the countries themselves. Only in a limited number of cases do these types of areas produce security threats. For instance, fragility in the Arab world provides opportunity for terrorists, and in coastal areas for piracy. In addition, instability in North Africa increases the space for illegal immigration, and the Caribbean area and Central America increasingly become subject to organised drug criminality. The latter could have serious ramifications, such as the growth of the drugs trade, human trafficking and other forms of international criminality. Once again it is the local population, and in this case also the population in the Caribbean parts of the Kingdom, that will suffer the consequences. There is a danger that one or more countries in Central America become 'criminal' high-risk countries when state power actually falls into the hands of criminal groups.

It is likely that more countries are confronted with extreme weather conditions (low impact, high chance). It is still uncertain where this will hit, but areas where traditionally many hurricanes occur have an increased chance. The Caribbean parts of the Kingdom should be thought of in this respect. Again, it is mainly countries in the 'belt of instability' that become victims of climate change. Access to clean water, food, raw materials and land will probably become more expensive in Africa, the Middle East and Central Asia. This could in some cases lead to more potential for conflict. However, it is more likely that economic and climate problems, as well as economic

inequality, will lead to social unrest. These kinds of 'springs' could eventually be hijacked by populist leaders, radicals and non-state actors who, among other things, victimise populations or engage in international adventures.

Terrorism is only a big threat in the Palestinian areas, Somalia, Yemen, Iraq, Afghanistan, Pakistan and India. In those countries (except India), terror may even lead to a collapsed state (**low impact, high chance**). **Concerning terrorism in the Netherlands, the situation is almost reversed (medium impact, medium chance).** The phenomenon becomes elusive by the shift to 'lone wolves', which can almost not be monitored because they operate alone. Finally, although it is a slim chance, the possibility remains that non-state actors acquire a nuclear weapon. It is likely that when a terrorist group possesses such a weapon, it will use it. Alertness remains of the utmost importance.

In the coming period, piracy will probably increase in the northern Indian Ocean and Southeast Asia. The violence of piracy in West Africa is also increasing (low impact, high chance). Vital shipping lanes through the northern Indian Ocean are particularly threatened, which could raise resource and product prices. The instability of piracy also sometimes shifts to neighbouring areas, when pirates move their activities. However, the instability will not shift to regions other than those where piracy takes place.

Lastly, it should be stressed that migration in itself does not pose a security threat.



IMPLICATIONS FOR THE DUTCH ARMED FORCES

This section looks at the implications of the above-described developments for Dutch security policy and for the army in particular. In essence, the answer is political. The implications depend on the size of the budget allocated, not just on which threats are focused on. In times of economic crisis, as is currently the case, such a choice is extra-political, because the defence budget will in future probably come under increasing pressure and a choice for one focus will be at the expense of another. Which threat deserves attention is largely a choice between high-impact, low-chance problems, such as conflict between the great powers, and low-impact, high-chance issues, such as piracy. Eventually, it is political criteria that determine the choice.

Before looking at the choices politics can make, it is important to take the Dutch political climate into account. It is likely that the defence budget will not grow in the future, but will rather decrease further. The Netherlands has traditionally been dependent on international cooperation for its security and stability. Growing pressure on the defence budget only increases the need for *pooling* and *sharing*. NATO appears to remain the cornerstone of Dutch security policy. The Common Foreign and Security Policy (CFSP) is also likely to receive increasing attention and be given more weight. Due to problems within the EU, further cooperation in a bi-, tri- and multilateral context will probably also be an alternative. The Dutch government currently finds itself maintaining a difficult balance between the need to integrate further internationally and decreasing support for

integration among the population. The Dutch population increasingly has a preference for the renationalisation of policy, because confidence in international solutions, such as the EU, is waning. The international deployment of the Armed Forces is also receiving less support from the population than before. Nevertheless, it is probable that, despite more nationally oriented rhetoric, the actual execution of the defence and security policy remains international. It is apparent that the emphasis will be more and more on Dutch interests in the narrow sense and less in the wider sense of the international legal order. Moreover, due to the decreasing defence budget, in the future an international contribution will probably be smaller and less frequent. This stands in stark contrast to the fact that, internationally, the Netherlands will be called on more often in cases where the US is no longer able or willing to operate. For the Armed Forces, the possible question will probably concern the following traditional commitments, included in the core tasks of the Armed Forces:

In an environment with a more Multipolar character, the emphasis for the Armed Forces will more expressly be on **the first core task of the Armed Forces, the protection of its own and allied territory, including the Caribbean parts of the Kingdom**. This would include the existing collective defence dimension (planning, practice and related capacity-building) in the context of NATO, but also possible contributions to a NATO shield against Syrian or Iranian missiles. Even though it is questionable whether the Netherlands will still prove able to actually fulfil its allied obligations in the case of self-defence, the current – as well as the possible future – cuts

will not quickly lead to unbridgeable problems. This is different for the Caribbean parts of the Kingdom. Tasks there, such as border control and support of the civil government, will more quickly be subjected to pressure from further cuts. The call for **protecting shipping against piracy** will probably continue. However, defence does not have the capacity to give a substantial – and Dutch maritime interests-related – contribution to the fight against piracy.

The second core task, promotion of the international legal order and stability, will probably be more subjected to pressure. The growing call for R2P, and the ‘success’ of it in Libya, could lead to an increased demand for the Armed Forces in the context of the EU, NATO or a coalition of the willing to perform these kinds of (humanitarian) interventions. On the other hand, there is likely to be a decreased willingness to deploy the Armed Forces for these kinds of interventions as a consequence of decreased financial means and the less internationalist attitude of the population. Also, as the international system is gaining a more Multipolar character, such a question will more often be limited to Europe’s ‘backyard’. Should interventions occur, it seems that they will take place even more within existing institutional frameworks such as NATO and the EU, in ever-changing compositions. Nevertheless, **air operations against high-risk countries** also remain possibilities in the future. In addition, a navy and gendarmerie task can be considered in the context of the enforcement of **weapon and oil embargos and contra-proliferation**, for instance in the case of Iran in the Strait of Hormuz or North Korea. Although to a lesser extent than before, the

Armed Forces can still expect to be called on in the next five to ten years to deploy in fragile states through **crisis management operations and Security Sector Reform (SSR)**, or after armed intervention in high-risk countries, such as Iran, Syria, North Korea, and also Pakistan. Besides SSR, development cooperation will also remain an important instrument in the prevention and control of fragility. The time of large-scale operations to deal with fragility seems to have passed. Attention is given more often to strengthening the wide security sector through small-scale and focused policy interventions. Contributions to peace operations in the Caucasus, the Caspian area and the Middle East, perhaps to support a peace accord, can be put on the agenda.

In the future, the Armed Forces will probably be asked more often, in the context of the third chief task, to support civil activities through law enforcement, responding to disasters and providing humanitarian aid, both national and international. Terrorism, polarisation and radicalisation in general are not problems the Armed Forces can tackle other than through deploying small specialised units, such as the Explosive Ordnance Disposal service (EOD), special forces, the Dutch Special Interventions service (DSI), and units to carry out security tasks. In some cases, it can also entail the limited deployment of Dutch Armed Forces in areas from which extremist propaganda is spread, attacks are prepared, or where people are trained to attack the Netherlands and Dutch interests abroad. In the field of terrorism, the phenomenon of lone wolves probably places contra-terrorism increasingly within the tasks of the Ministry of Security and Justice (V&J).



With the increase in disasters caused by climate change, it is likely that **demand for the 'Intensification of Civil-Military Cooperation' (soft support) tasks will increase.** This would include support in case of floods in our own deltas, but also in case of storm damage in the Caribbean parts of the Kingdom. This appeal can also be made for disasters abroad. Operations to assist after weapons of mass destruction have been used should also be taken into account. From the perspective of **FRONTEX and Royal Marechaussee** tasks, refugee flows are relevant for the Armed Forces. However, it is questionable whether further continuation and escalation of the economic crisis and climate change will lead to more refugees. Generally, more poverty leads to less movement, while the attractiveness of Europe decreases due to the economic crisis. Finally, the Armed Forces can always be asked for a contribution to the **evacuation of Dutch and other European citizens** in areas of conflict.

Concerning dimensions that the Armed Forces need to consider, it has to be stressed that most conflicts are still hybrid and asymmetrical by nature, and mostly take place on land. Yet sea and air remain important. Space is clearly a dimension for struggle between the great powers, in which the Netherlands cannot play a unilateral role. The 'fifth dimension' of cyberspace is becoming more and more important. The security hazards of disturbance are increasing. It is unlikely that the Dutch Armed Forces will play a role in this domain. The responsibility for digital security is mainly placed with the individual user. The role of the government regarding cyberspace and the digital domain is mainly in the field of the Ministry of Security and Justice.

Although military technology mainly plays a role in large-scale interventions – and with counterinsurgency and crisis-management operations, gaining *hearts and minds* is much more important – technological advancement has great implications for the Armed Forces. For instance, *Network Centric Warfare* provides much more space to integrate capacities and concentrate them with every individual soldier. For this, an ever-higher level of education and training is expected of him or her. The larger quantities of information that are becoming available for higher-level military personnel by, among other things, *Battlefield Management Systems*, can increase the tension for management between *Befehlstaktik* (being implementation-focused) and *Auftragstaktik* (goal-focused). Moreover, the higher technological level of the Armed Forces will reinforce dependence on it, as well as increasing the demand for energy to enable its functioning. The Armed Forces could also become vulnerable to disturbance of the technology.

TRENDS IN THE PAST YEAR AND THE NEXT FIVE TO TEN YEARS IN THE SCENARIO GRID

Events and trends in the past year

Since the Future Policy Survey was published, large changes have occurred in the international system as a consequence of an array of developments. Two overarching trends can be identified in the scenario grid of the Future Policy Survey:

1. Within the international state system the cooperation between states is strained.

There is increasingly more competition within the system between the old and the rising powers. In 2011, this translated into a

movement of the driving forces and actors Economy, Natural Resources, Climate Change, Conflict Spectrum, Great Powers, High-Risk Countries, Fragile States, International and Regional Organisations, and Dutch Society towards the quadrant Multipolarity.

2. Within the international system the number of non-state actors is increasing and their role is growing.

The international system demonstrates more and more manifestations of the Network quadrant and, especially, the Fragmentation quadrant. This trend towards the bottom of the scenario grid can be seen for the driving forces and actors Globalisation, Natural Resources, Science and Technology, Polarisation and Radicalisation, Conflict Spectrum, Great Powers, International and Regional Organisations, Non-State Actors and Individuals, and Caribbean parts of the Kingdom. The increasing Network character of the international system is reflected in the fact that non-state actors and governments play an important role together, and are strongly interwoven. Both governments and populations have more and more difficulty in coping with the phenomena of the networked society. In addition, many non-state developments can be placed in the quadrant Fragmentation. States sometimes perceive non-state actors to be a threat – in cases of terrorism and piracy, but also the Occupy movement and Arab Spring. In any case, they are confronted with a world they no longer feel in control of. Populations also feel increasingly confronted with elusive 'international' forces they would rather avoid.

The phenomena of non-state actors seem uncontrollable and give rise to forces, also in the Network quadrant, that seek clear national and 'every-man-for-himself' solutions, which belong more to the Fragmentation quadrant.

Exceptions to these previous trends are the driving forces Proliferation of Weapons of Mass Destruction. These showed almost no movement in the past year, while Polarisation and Radicalisation showed more international cooperation. Even though developments in the international system in the past year moved towards the quadrant Multipolar and to the bottom of the scenario grid, the world has remained roughly in the Multilateral quadrant. The fact that cooperation between actors is strained and that there is more competition does not (yet) mean that non-cooperation has taken over. Notwithstanding the movement towards the bottom of the scenario grid, the international system remains largely state dominated. It should be noted that the world has moved even more towards the middle of the scenario grid; more Multipolar, Network and Fragmentation phenomena have also been visible. The situation in the world has become more uncertain in the past year, because the international system shows more signs of all four quadrants.

Yet this conclusion is based on a prima facie fragmented image. Not only are the driving forces and actors not all located in the same quadrant; within most driving forces and actors there are also several developments that take place in different quadrants. Natural Resources, Great Powers, and International and Regional



Organisations are the exception, as in the past year they were located entirely in the Multilateral quadrant. The diffuse trends and events of the past year are summarised in Graph 1, which provides a picture of the developments in the scenario grid. To do justice to the array of diffuse developments, five points have been placed in the grid based on different analyses for each actor or driving force over the past year. The graph illustrates analyses of the analytical chapters only. It is not meant to suggest more precision than can be derived from the written analyses.

The next five to ten years

In this Monitor there are estimates of the direction all driving forces and actors may develop in in the scenario grid in the next five to ten years. These estimates are tentative and should not be taken as a prediction. Whether these developments will actually take place is, among other things, dependent on diverse uncertainties and strategic shocks that are discussed below. For the next five to ten years, the image is once again diffuse. Once more, not all driving forces and actors are found in the same quadrant and within most driving forces and actors there are several developments that take place in different quadrants. Only Great Powers and International and Regional Organisations are expected to remain completely in the quadrant Multilateral, while Globalisation will be completely included in the quadrant Fragmentation. These diffuse trends have been summarised for the next five to ten years in Graph 2. This graph has been developed in a similar fashion to Graph 1 and should likewise be interpreted as illustration.

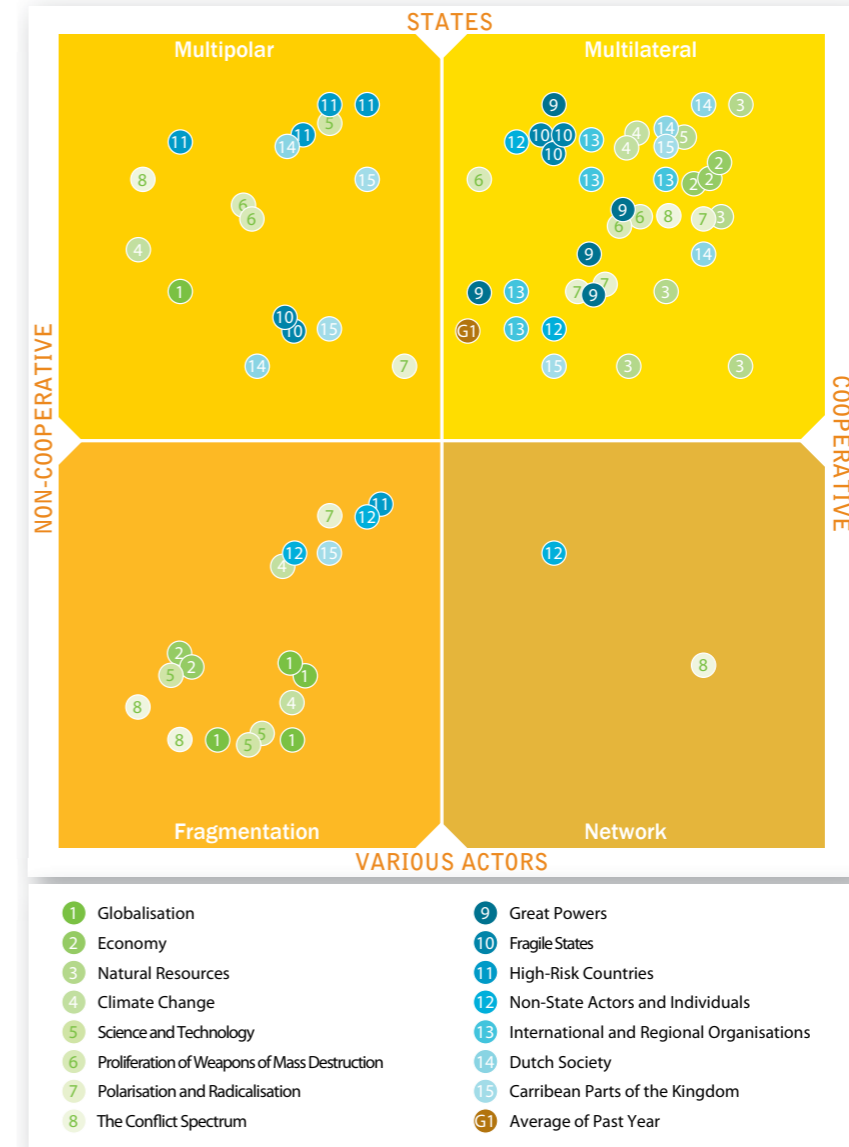
According to the analyses pictured in Graph 2, **the expectation is that the international system will, in the next five to ten years, move increasingly into the quadrant Multipolar and simultaneously will gain more and more characteristics of the quadrant Fragmentation.**

The average movement of the international system (all driving forces and actors taken together) from the publication of the Future Policy Survey and for the next five to ten years is illustrated in Graph 3 (with the same proviso as the other graphs).

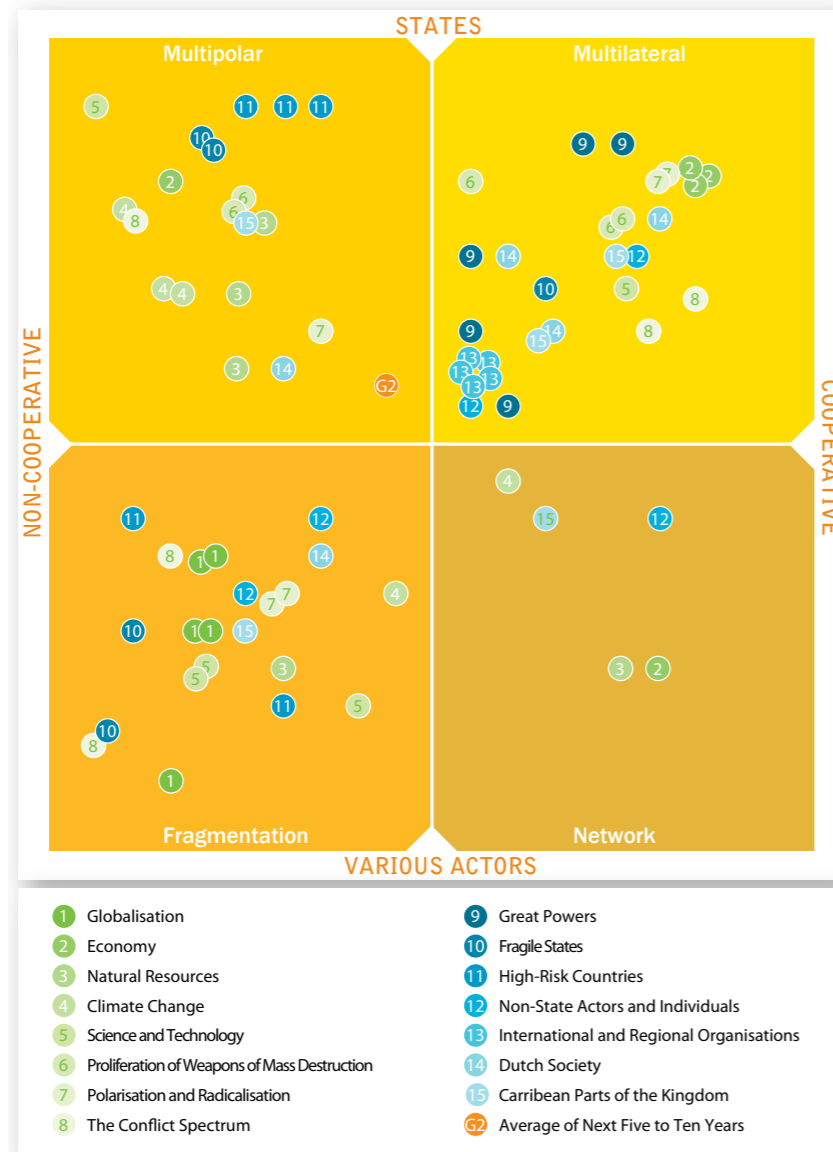
It seems that the trend to the middle of the scenario grid of the past year continues slightly, before going further towards the quadrants Multipolar and Fragmentation. The primary consequence for the short term is a further increase in uncertainty. It is becoming less and less clear whether international cooperation can still be counted on. The 'old certainties' are crumbling. At the same time, the role of the state seems to be shrinking in certain fields, but non-state actors are not directly the alternative for *global governance*.

The **directions of the different driving forces and actors are not the same. However, the overarching trends are probably largely unchanged in the next five to ten years with regard to those in the Future Policy Survey.**

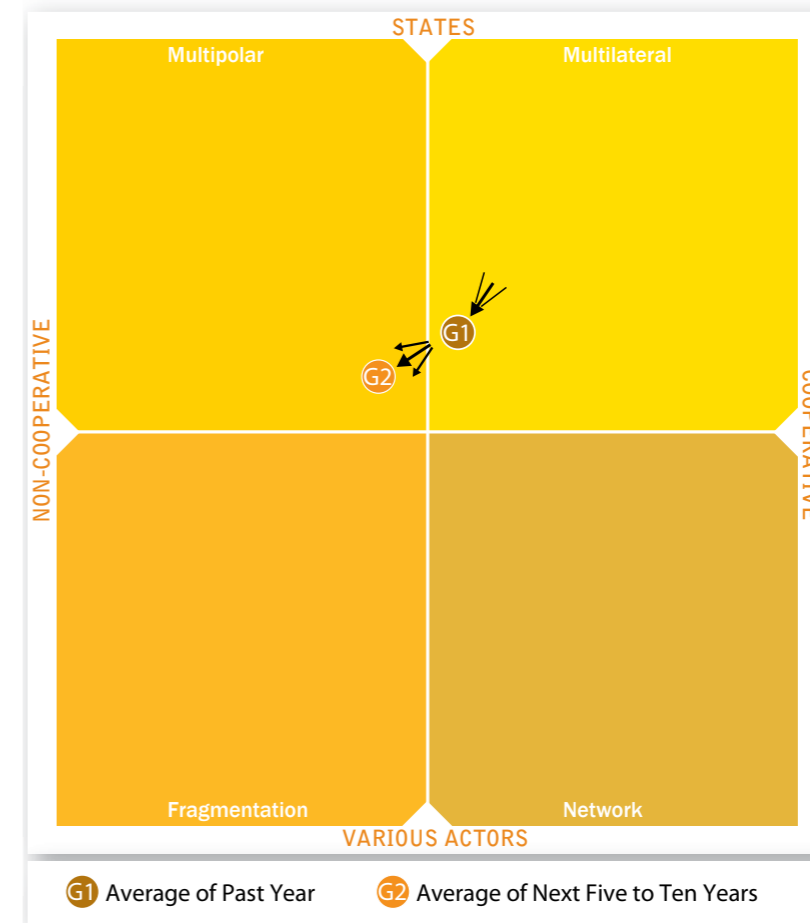
The two trends, towards the Multipolar quadrant and towards the bottom of the scenario grid, which were identified previously for the past year, will also remain likely for the next five to ten years. The driving force Globalisation is located in the Fragmentation quadrant and



Graph 1: Driving forces and actors in the past year



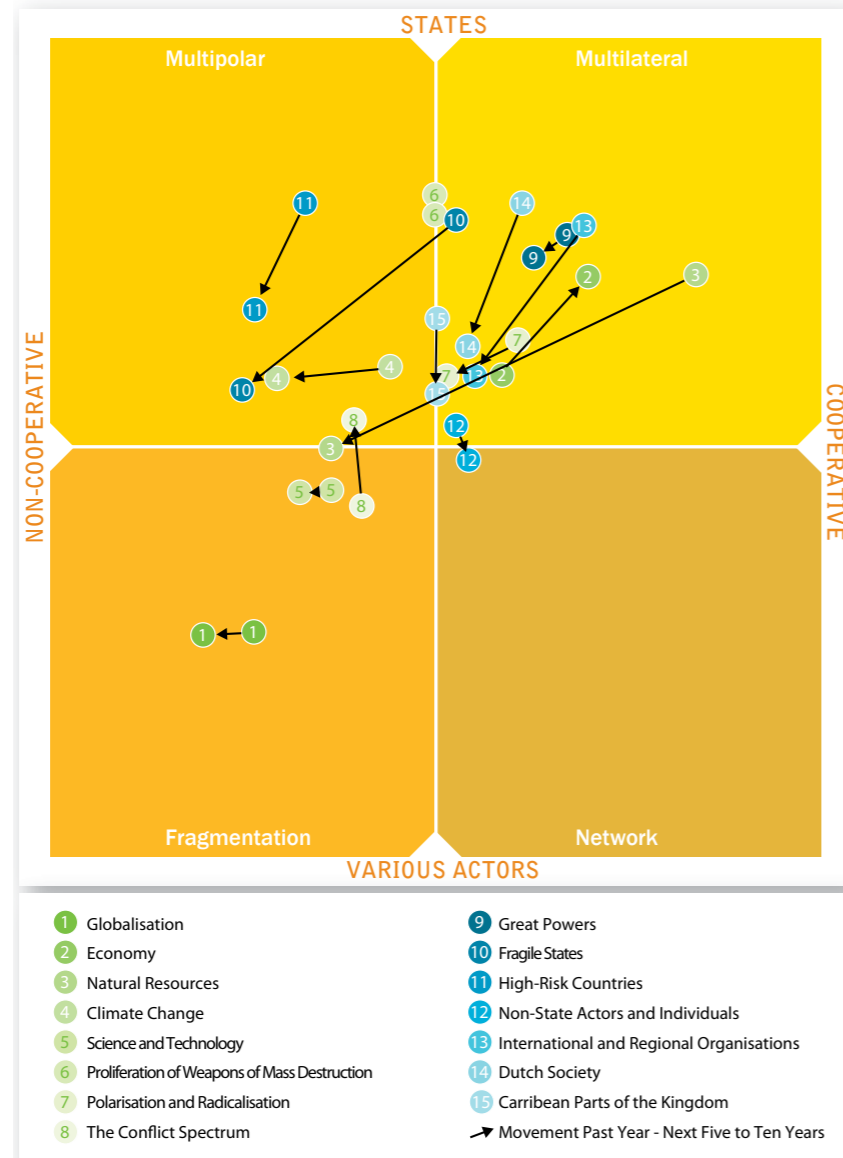
Graph 2: Driving forces and actors in the next five to ten years



Graph 3: The average movement of driving forces and actors

will probably receive more and more of this quadrant's characteristics. Natural Resources will probably move on average from the Multilateral quadrant towards the Multipolar and Fragmentation quadrants. Climate Change was in the Multipolar quadrant and will gain on

average more of its characteristics. Science and Technology will on average move slightly further into the Fragmentation quadrant. Polarisation and Radicalisation remains on average in the Multilateral quadrant, but moves in the direction of the Multipolar quadrant. The actor



Graph 4: The average movement of each driving force and actor

Great Powers is still situated in the Multipolar quadrant, but is coming closer to the Multipolar and Network quadrants. Fragile States on average moves from the Multilateral quadrant to the Multipolar quadrant and in the direction of the Fragmentation quadrant. High-Risk Countries remains on average within the Multipolar quadrant, but drops towards the Fragmentation quadrant. Non-State Actors and Individuals on average become slightly less state-oriented, causing this actor to move from slightly Multilateral to slightly Network. International and Regional Organisations remains within the Multilateral quadrant, but moves to the Multipolar quadrant. Dutch Society develops within the Multilateral quadrant in the direction of the Fragmentation quadrant. Finally, the Caribbean parts of the Kingdom retains its position between the Multilateral and Multipolar quadrants, but drops towards Network and Fragmentation.

Three driving forces are deviant in comparison to the above-described actors and driving forces. With Proliferation of weapons of mass destruction the status quo is probably maintained. Economy stays on average in the Multilateral quadrant and probably develops further in that direction if Europe is able to pull itself together – the most likely scenario. Finally, Conflict Spectrum on average becomes more state-oriented, causing it to move slightly upwards from the Fragmentation quadrant to the Multipolar quadrant. These movements are illustrated in Graph 4, with the previously mentioned proviso.

It is striking that actors such as Great Powers, International and Regional Organisations and Dutch Society, as well as the driving forces

Economy, and Polarisation and Radicalisation, remain in the Multilateral quadrant. As regards the actors, this can be explained by the fact that they often follow the driving forces. It is, after all, the driving forces that drive and move the actors. For this reason, it is likely that when most driving forces end up in the Multipolar or Fragmentation quadrant, the actors will also eventually leave the Multilateral quadrant. This picture confirms the trend that in the next five to ten years the international system will move into the Multipolar quadrant.

Although in the separate analyses of the driving forces and actors no questions were asked about the speed of developments, with the necessary reservations an indication can be given on the basis of the above illustration. The length of the vector between each point is a measure for the speed of the development. Developments within the driving force Natural Resources, especially, and to a lesser extent the driving force Climate Change, as well as the actors Fragile States, High-Risk Countries, Dutch Society, and International and Regional Organisation, seem to move fast in comparison to the more marginal changes with the other driving forces and actors.

IN CONCLUSION

In the aftermath of this pilot study, the trajectory, method and outcomes will be reflected upon and absorbed in order to improve the next version, the 2013 Monitor. Your comments are very welcome as a contribution to this evaluation process. You can contact the project person responsible via the following email address: StrategischeMonitor@clingendael.nl.



