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RCDS 2018 STRATEGIC ANALYSIS 1
Final version – submitted on 9 Nov 2017

What do you think are the four greatest challenges to global stability, security and prosperity in the next decade and why?

It can be challenging for professional military officers who have come up through the tactical and operational ranks to open their threat assessment aperture to consider issues of global stability. Even those officers who have served at the strategic level of war are more likely to have been involved in addressing national level threats that have been defined by someone else than they are to have been involved in identifying what those threats are.

Another challenge is defining the scope of the question. The term “security” can be defined narrowly or quite broadly, to focus on the state alone or to include consideration of populations.¹ For military officers, the term “security” generally refers to the state, its interests, and the military, since that is their frame of reference and area of responsibility. It is implied by the context that in answering this question it is appropriate to include a broader definition of security to include the human security of populations. The concepts of stability and prosperity can also be considered at both the state and the population level, so in answering this question both levels will be taken into consideration.

Though a challenging and unfamiliar process, there are no shortage of potential threats to consider. International terrorism, rogue states, nuclear proliferation, transnational crime, pollution, and climate change are some of the many threats that come readily to mind. The four greatest challenges to global stability, security, and prosperity during the next decade, however, are arguably a China/U.S. confrontation, armed conflict on the Korean peninsula, a global pandemic, and a “Black Swan” event; that is, some catastrophic event that no one has predicted or identified. These challenges were selected based on an analysis of the likelihood of their occurrence and their effect on global stability, security, and prosperity, and are listed in order of increasing likelihood.

¹ Lee Jarvis and Jack Holland, “What is Security?”, chapter from *Security: A Critical Introduction*, (New York: Palgrave, 2015), 28-29.

The first of these challenges is a potential confrontation between China and the United States. Graham Allison, Professor of Political Science at the Kennedy School of Government, Harvard University, has garnered a lot of attention with his concept of the “Thucydides’s Trap”. “Thucydides’s Trap” refers to the potential for conflict between a rising and existing hegemonic power and is derived from the geopolitical situation between Sparta and Athens in the 5th century BC that Thucydides wrote about in his *History of the Peloponnesian War*.² In the modern case, the theory is that the U.S. will find it increasingly difficult to accommodate the rise in national power of China. China’s population is much larger than that of the U.S., its gross domestic product (GDP) is rising rapidly, and it is translating that economic power into military power and political and economic influence around the world. Allison lays out a number of scenarios of how this might lead to direct conflict between the two nations. While he makes it clear that war between China and the U.S. is not pre-ordained, as two of the most populated nations on earth, with the two largest militaries, and both armed with nuclear weapons, any direct military conflict between the two nations would not only have a direct effect on the stability, security, and prosperity of the direct combatants, but would likely affect allies and countries within the region and potentially across the globe.

Confrontation between these two powers would not have to involve war to have a substantial effect upon global stability and prosperity. On the diplomatic front, the fact that both are permanent members of the United Nations Security Council suggests that failure to agree on matters of world security could have a chilling effect of the effort to find acceptable solutions to the world’s problems. The conflict in Syria, climate change policy, freedom of navigation, and Responsibility to Protect (R2P) are all potential issues where agreement or lack of agreement at the world diplomatic level could play a significant role in global stability, security, and prosperity. On the economic front, as the two largest economies in the world, an economic falling out between the two countries could easily effect world economic stability. The thesis of a recent book by Ayhan Kose and Marco Terrones is that the four global recessions since the 1960’s have all involved the faltering of the U.S. economy. With the purchasing power parity

² Graham Allison, *Destined for War: Can America and China Escape Thucydides’s Trap?* (New York: Houghton Mifflin Harcourt Publishing Company, 2016), 29

(PPP) of China having surpassed that of the U.S. in 2014³, it is likely that future economic recessions in China will have a similar effect. If both economies were to falter together due to some economic or military conflict between the two, the ramifications for the world economy, and therefore for stability, security, and prosperity across the globe, could be catastrophic.⁴

The next of the four great challenges is armed conflict on the Korean peninsula. Kim Jung Un has developed nuclear weapons and is pursuing the development of delivery vehicles capable of striking the United States. While it is unclear but doubtful that North Korea currently has the ability to deliver nuclear weapons against South Korea and Japan, two U.S. treaty allies, it is clearly only a matter of time before they develop that capability. Even so, North Korea has the ability to devastate South Korea with conventional artillery and rocket forces, and to strike Japan with conventional ballistic missiles. Any preemptive attack by the U.S. or its allies on North Korea could result in an attack on South Korea or Japan, with the loss of tens of thousands of lives. As Terence Roehrig reminds us, it is in crisis situations where leaders tend to make mistakes.⁵

In addition to the cost in lives and treasure to the direct belligerents in any renewed warfare on the Korean peninsula, any such conflict would likely have a wide ranging global economic effect. While maybe not being directly involved in military operations, such a conflict would have a chilling effect on China's economy. The conflict itself would have a direct and negative effect on the economies of the U.S., South Korea, and Japan, and as the 1st, 12th, and 3rd largest economies in the world⁶, it is inconceivable that their disruption would not have an effect on the global economy.

³ Mike Bird, *China Just Overtook the USA as the World's Largest Economy*. Business Insider UK web site, 8 October 2014, <http://uk.businessinsider.com/china-overtakes-us-as-worlds-largest-economy-2014-10?r=US&IR=T>, accessed 4 Nov 2017

⁴ "Cyber" is a potential realm of conflict between modern, globalized, networked nations, but a cyber conflict on a national scale would have either economic or military effects, and so is not called out separately here.

⁵ Terence Roehrig, "Re: North Korea's Nuclear Weapons: Future Strategy and Doctrine" (e-mail dated 1 Oct 2017).

⁶ Statistics Times web site, *List of Countries by Projected GDP*, <http://statisticstimes.com/economy/countries-by-projected-gdp.php>, accessed 4 Nov 2017

The third challenge is a global pandemic. Of the challenges listed so far this is the one that is most likely to occur sometime in the future.⁷ As Sara Davies points out, “Pandemics do not respect international borders” and can have a near simultaneous effect on a wide range of political, economic and security factors.⁸ The linkage between pandemics and national security is now widely recognized, as is the understanding that a global threat such as a pandemic has to be addressed by many nations working together.⁹ The consensus appears to be that the most likely source of a future pandemic would be a mutation of the flu virus, similar to what the world experienced in 1918-1920.¹⁰ That pandemic, the Spanish Flu pandemic of 1918-1920, killed between 50-100 million people worldwide, approximately 3% of the world’s population. Recent estimates of how a similar pandemic might affect the world suggest that some 64 million people might die, just under 1% of the world’s population.¹¹

A global pandemic is different from the previous two challenges as being the least likely to involve military conflict, and more of a threat to populations and social stability than to the political structure of nations. However, if a population suffers badly enough, or political leadership fails to address the pandemic adequately, a nation could suffer politically as well. A major pandemic would, of course, have a major effect on global prosperity, through lost production and reduction in trade. Of the challenges identified so far, a global pandemic has the highest likelihood of occurring and has the potential to provide wide-ranging societal effects.

Selecting a Black Swan event as the fourth and final challenge to global stability, security, and prosperity is not an attempt to dodge the question; it is, rather, explicit recognition that the crises that challenge nations the most are often times unpredictable. Taleb defines a Black Swan event as one that is an outlier (i.e., it is unexpected); it has a significant, even extreme, effect; and we seek to rationalize or explain its occurrence after it has already

⁷ Katherine Harmon, “What Will the Next Influenza Pandemic Look Like?” *Scientific American*, 19 September 2011. <https://www.scientificamerican.com/article/next-influenza-pandemic/>, accessed 4 Nov 2017.

⁸ Sara E. Davies, *National Security and Pandemics* (*UN Chronicle*, 50:2, 2013), 20

⁹ Davies, 22

¹⁰ Harmon

¹¹ Christopher J.L. Murray, Alan D. Lopez, Brian Chin, Dennis Feehan, Kenneth H. Hill. *Estimation of Potential Global Pandemic Influenza Mortality on the Basis of Vital Registry Data from the 1918-1920 Pandemic: A Quantitative Analysis* (*The Lancet*, 368:9554, 23 Dec 2006 – 5 Jan 2007), 2214

happened.¹² Since the year 2000 the world has experienced the 9/11 attacks on the U.S., the 2008 financial crisis, the rise of the Islamic State in Syria (ISIS), the Arab Spring, the Brexit referendum, and the election of President Trump, none of which was anticipated in advance; all of which have had or may yet have an extreme effect on state, regional, and/or global stability, security, or prosperity; and about which the world has struggled to understand and explain.¹³

Borrowing terminology from former U.S. Defense Secretary Donald Rumsfeld¹⁴, Black Swan events represent the “unknown unknown”, as they are events that are impossible to predict in form, occurrence, and effect. “Known unknowns” are those events that can be anticipated in form but may never occur. These include such events as conflict between China and the U.S., and armed conflict on the Korean peninsula. “Unknown knowns”, on the other hand, are events that will likely occur, such as a pandemic or major recession, but there is no telling when they might occur. Of all of these, the one that is most likely to occur and will have some demonstrable and potentially extreme effect is the “unknown unknown” of the Black Swan. Nations often develop contingency plans to address “known unknowns” and “unknown knowns”, but it is impossible to plan for “unknown unknowns” – Black Swan events; generally what nations do is fall back on the processes developed to address the other two types of threats in dealing with Black Swan events when they occur, or make up their response from whole cloth.

This analysis has presented four great challenges to global stability, security, and prosperity in the next ten years. An argument can be made for a wide range of other challenges beyond those that are presented here. The first three were selected because they were identifiable, quantifiable, and either likely to happen or would have a wide ranging and significant effect if they did occur. A Black Swan event is included as the fourth challenge to global stability, security, and prosperity because history has shown that these events tend to occur frequently and have a significant effect. This argument is underscored by the number and

¹² Nassim Nicholas Taleb, *Black Swans: The Impact of the Highly Improbable* (London: Penguin Books Ltd., 2007), xvii-xviii

¹³ Arguably the Brexit referendum and the U.S. presidential election were not surprise events that sprung upon an unsuspecting nation, and world, but the results were decidedly not expected, and the deep changes they entail combine to add them to this list.

¹⁴ Donald Rumsfeld: “There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don't know. But there are also unknown unknowns. There are things we don't know we don't know.”

<https://www.brainyquote.com/quotes/quotes/d/donaldrums148142.html>, accessed 4 Nov 2017

diversity of such events that have occurred just since the year 2000. It is, of course, impossible to say what form such an event will take. However, while the first three events might occur in the next 10 years, and were selected because their likelihood and/or potential effect, it is almost certain that one or more Black Swan events will occur. Taken together, then, these four represent the greatest challenges to global stability, security, and prosperity over the next ten years.

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