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INSTITUTE OF WORLD ECONOMY
AND INTERNATIONAL RELATIONS

The World of 2035

Global Outlook

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The forecast covers the period up to 2035. It describes dynamic trends that will shape the future of the world during the nearest 20 years. The aim of this study is to foresee the challenges awaiting the world and the forthcoming opportunities which can be used in the interests of the Russian state, ensuring its role as an active participant in the formation of the future world order.

The book presents a general analysis of the main trends of world development, its spiritual culture, ideology, politics, innovation, economy, social sphere and international security, the problems of globalization and regionalism. The final section of the book presents strategic recommendations for Russia.

Prospective readers of this book include staff members of government institutions and management bodies, research, expert and business communities. It also may be recommended for student scholars of international affairs.

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Foreword

The book 'The World of 2035. Global Forecast' continues a series of prognostic studies by the Primakov National Research Institute of the World Economy and International Relations. The task of the forecast is not so much to predict the future as to reveal challenges and opportunities facing the world. We have tried to emphasize those current dynamic trends that can have long-term strategic impact on the shape of the world twenty years from now. From the point of view of the authors, the resulting picture contains key elements that may help to find the best place for Russia in the future world through adaptation to the ongoing processes and effective use of them.

Despite globalization, which achieved certain integration results, or possibly due to this process the world experienced the increase of conflict potential between the leading states because of contradictions between them and partly within them. The confrontation between capitalism and socialism died out a quarter of a century ago, but in its place came the conflict of interests, values and identities with distinctive national, religious and cultural overtones.

In the period up to 2035 the world will be changing under the influence of new ideas, innovative solutions and technologies continually born by the progress of science and human creativity. However, this does not contradict the laws of nature, economy and society, ensuring the development on the one hand, and providing various economic, social and other constraints on the other hand.

At the same time the authors are sure of the usefulness of an honest and impartial analysis of what was and is going on in the global community in the course of last several decades in political, economic, social and spiritual life; of the way changes in science and technology influence these spheres and of existing feedback mechanisms. It allows us to reveal certain general laws of development and to predict the direction and the character of future changes.

Without elements of forecasting of this kind, based not just upon intuition but upon the analysis of the existing facts and trends, future deci-

sions will involve mistakes and miscalculations leading to waste of resources and the loss of unique possibilities for development.

The importance of understanding the general laws of global development became the principal motive for the team of researchers of the Primakov National Research Institute of the World Economy and International Relations to achieve maximum publicity for the results of their work. It took the form of publishing and world-wide advertising of its long-term strategic prognosis. The first step was the publication in 2001 of a forecast of the development of the world economy in the period to 2015 entitled 'The World Facing New Millennium'. Looking back, one can see that principal tendencies of the development of the world economy predicted in our first published prognosis have been proved correct for the most part. Moreover, certain important quantitative indicators in our publication were predicted correctly. Thus, actual growth of the global gross domestic product in 2001–2014 (3.7%) exactly fitted our forecast for 2001–2015. It can be presented as a unique result of forecasting for a 15-year period. We somewhat overestimated this indicator for the developed countries (2.6% compared to actual result of 1.7%) and underestimated it for the developing countries (4.7% predicted with actual result being 5.5%). Quite precise was the forecast for the Russian economy — its actual annual GDP growth was 4.2% compared to the predicted 5.0%.

The forecast of the global development over to 2035 presented here covers a wider scope of processes and events than all our previous works of similar nature. Nevertheless, we hope that the experience of strategic forecasting, including its methodical component, acquired during several decades makes it possible to foresee with high precision the principal trends and the pace of the development, forming the core of the world's evolution in the nearest 20 years.

The world has entered a long period of rising international tensions, economic and financial instability, uncertainty and the redistribution of power between traditional and new centers of integrational gravitation. Hence the principal task for a researcher is to determine the risks, threats and possibilities for Russia in this period.

To look into 2035 our leading experts take on the role of surgeons dissecting our world in all its diversity: ideology, politics, economy, innovations, etc. Then we turn to the analysis of interrelation and interaction of these worlds, drawing scenarios for the future.

We start our investigation from the global world of ideas, which will retain deep contradictions between rival systems of world perception that will continue to coexist, so that there is little chance for any of them to become the dominating one.

In the world of politics, we expect inevitable rise of conflicts. The making of responsible politics will be hindered by lack of resources and social limitations as well as by attempts of the traditional political forces to retain their influence through conservation of public mind.

Social policy will be forced to look for adequate response to increasing inequality in its old and new forms. The world is going to face the most fundamental reformatting of its social structure within last hundred years: disintegration of the middle class, the growing distance between the new elite, which is born by the economy of knowledge and ever more diverse innovations, and the rest of the society.

The unprecedented technological shifts of the early 21st century considerably increase the role of new technologies as a factor making imprint on the social fabrics of the society. They impact not only economic development, but individual and public consciousness. In mid-term perspective it enlarges potential social and political aggressiveness.

The world economy will go through a period of high turbulence related to the search for more effective new instruments to ensure steady growth. Considerable structural shifts will take place in industries, energy and finance, which in the future will inevitably influence potentials of individual groups of countries and regions of the world.

The globalization, which lately became the focus of fierce debates, in the nearest two decades will radically change its forms using new models and platforms of regional integration. New gravitation fields are formed in the world of global integration, and the traditional ones undergo transformation: China and the Silk Road Economic Belt it supports, the USA, the European Union, Great Britain after its leaving the European Union, the new edition of Transatlantic integration, the USA and the future frameworks of Pacific and Latin American integration, the Eurasian Economic Union. These processes reveal transformation of the modern crisis of globalization caused by the growing urge for protection of national or regional markets into a new version of interrelation between globalization and regionalism.

In the sphere of international relations, the world is going to pass an important bifurcation point which will determine the grade of their proneness to conflict in the nearest decades.

In the social and political sphere, the growth of cultural diversity becomes a challenge to political correctness (in the logic of multiculturalism) and the subject of acute political dispute. The latter is focused on the problem of maintaining shared standards of social coexistence and common benchmarks of development. The primary aim is the forming within the framework of states of 'an agreement for development' as the foundation of the social contract capable of permanent renovation. The world of the beginning of the 21st century has not worked out a system of development capable to change the structure of human demands that would be alternative to present-day 'irresponsible development' based on the waste of natural resources and the use of technologies to manipulate public consciousness. The ideal of the movement 'towards the future we desire' can be defined as 'responsible development'. It includes in particular the choice of renewable resource as its top priority, intellectual sources for social innovations and intangible incentives. Key determinants of responsible development are readiness to defend democratic principles of political coexistence, ability to make moral judgments about politics, formation of the corresponding value motivation and identity.

In the course of our work on the forecast, while 'dissecting' each of the worlds we came across the ambiguity of understanding of the principal trends of development, their bifurcation points or versions of the most probable scenarios of the future.

In the world of economy, for instance, the economic hierarchy will cause the increase of old and the emergence of new interregional imbalances. At the same time the logic of the market, economic interests of the most prominent participants of the game, their need to expand markets and market institutions may help to create global 'lifts' for underdeveloped countries similar to domestic social lifts.

One more example belongs to the sphere of security. We are aware of an alternative view which states that the world community is not going to face the fatal bifurcation point analyzed in the forecast.

For Russia the nearest two decades will be the period of consolidating its position in the changing world, of ensuring its authority and participation in resolving global problems. Two factors will lie in the basis of this process — the realization of its self-identity and the understanding of global responsibility.

The alternative scenario for Russia is its isolation from global processes and creation of its own autarchic model of development minimizing the influence of all other economic, innovative, financial and politi-

cal tendencies. The realization of such scenario would definitely push Russia decades back in its quest for development and deprive it of chances to modernize itself and strengthen its global position.

Finally, some words concerning the design of our book. A sort of trademark of our previous 'Strategic Global Forecast 2030' (Moscow, 2011) was the painting 'Clairvoyance' by Belgian artist René Magritte. The fragment of the painting was placed on the cover of the book and was used in other publications.

This choice, however lucky and precise, created certain difficulties. It was not easy to find an adequate design for 'The World of 2035', the variants considered being just palliative. The decision came unexpectedly. When the book was ready for publication, the exhibition of Japanese artist Y. Morimura was held in Moscow in the Pushkin's Museum of Fine Arts. His work 'Triple Personality', a reconsideration of 'Clairvoyance' turned to be the very answer we were looking for. Now our forecast is presented not by a European, but by a Japanese holding a brush and a camera. It looks much as the former one, Magritte's easel, palette and an egg. However, the artist's sight is directed not just from one point but from three. The reality itself became multidimensional, and it is hard to guess in which reality the inhabitant of the empty egg-shell came into being. The answer to the European classic of the first half of the 20th century came from the East, from our contemporary. It is not linear, quite in harmony with the changing world. And quite precise. Magritte wanted his pictures to be in demand when people try to understand their meaning. So it happened.

We dedicate this work to the 60-th anniversary of our Primakov National Institute of the World Economy and International Relations (IMEMO) of the Russian Academy of Sciences, which was celebrated in 2016. Once more I wish to congratulate all the authors and to thank them for the work they did.

Prof. Alexander Dynkin

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