

geopolitical power that may destabilize Northeast Asia. China will grow more powerful and more assertive, but its leadership succession problems will cause domestic and regional strife. Democratic states may face military challenges from a resurgent Iraq, an aggressive Iran, or even a combined effort by both countries. Armed conflict between India and Pakistan may develop; this will be a matter of serious international concern, because during this period both countries will be able to assemble a small number of nuclear weapons. The Balkan area could remain markedly unstable.

- There will continue to be real concerns about smaller nations buying more-and-more-capable weapons and the increasing frequency of regional or local clashes that threaten to spill over into larger conflicts involving some major powers. While the enduring regional crisis in the Middle East may be mediated, it will not be totally resolved. Regional conflicts in South and Northeast Asia are unlikely to be resolved in the next 10 years. Conflicts associated with the rise of Islamic fundamentalism will certainly not be resolved. With the rise of nationalistic interests will also come incidents of ethnic, religious and social conflict throughout the world. In future conflicts sparked by cultural factors, there will be less willingness among national or international factions to accept the results of negotiations and more reliance on arms and military forces.
- The primary focus in the field of regional and international security will be on conflict resolution through preventive diplomacy, peacemaking, peacekeeping and post-conflict peace-building. Peace enforcement will be a last-ditch effort.
- The movement of refugees will strain beyond capacity international health, educational and social welfare organizations. Measures to restrict immigration will be a source of friction both inside and between countries.
- There will be increased respect for the institutions of democracy in the developing world, and a greater emphasis will be placed

on the need for technical and economic aid. Western countries will not be able to meet the overwhelming needs for developmental assistance, causing frustration in the Third World and former Eastern bloc.

- The concept of national sovereignty will evolve. Developments, particularly conflicts, traditionally viewed as being exclusively within the jurisdiction of a nation state, will come under increasing international scrutiny and possible intervention.

#### Economic Factors

- Global economic power will remain in the northern hemisphere, but rising economic tides will submerge North-South issues. The traditional focus on the Atlantic will give way to a focus on Pacific Rim or Eurasian economic and trade issues. With a few exceptions, notably Europe, economic activity and wealth will be concentrated in Pacific Rim countries.
- When not stifled by protectionist policies, open trade and open markets will stimulate economic growth; however, economic competition will divide traditional allies. There will be more incidents of protectionism and economic warfare, and there will be alliances based on economic issues. Economic summits will become as important to international security as superpower summits once were.
- Unemployment will be a problem, both nationally and internationally; social dislocation and political change will result from economic stagnation.
- The defence budgets of most major countries will continue to decline throughout the 1990s. Cost consciousness and affordability will be major emphases in defence expenditures. Efforts at defence conversion on the part of the United States and the FSU will probably fall short of their objectives.
- Economic sanctions and rewards ("sticks and carrots") will become more important as tools of policy. However, in order to be

