#1 - Geopolitics in 2039

Warfare Shifts to the Shadows as Diverse Networks Battle for Geopolitical Influence

Forecasts:

- **The U.S. is "first among equals" in a multi-polar world where China, Japan, the E.U., Russia, India and Brazil can all project force beyond their borders.**
- **International conflict moves to the shadows through terrorism, cyber-attacks and proxy warfare in failed states.**
- **Global networks of like-minded individual create virtual worlds where they can create their own societies and plan ways to transform the real world in their own image.**

By 2039, warfare shifts to the shadows as nation states, corporations and global networks of individuals fight battles in both the real world and virtual worlds for geopolitical influence. Nation-states remain the dominant players in international affairs for the first two decades of the 21st century, but in the 2020's they turn to multinational military contractors for military services. During the 2030's, virtual worlds create a powerful space for collaboration and conflict for new networks and organizations.

The financial and economic crisis of 2008-2009 damaged both the finances and the global prestige of the United States. By 2010, the national debt surpassed 10 trillion dollars. The dumping of the U.S. dollar as the reserve currency of choice leads to higher interest rates and higher inflation in the U.S.

These economic challenges force the U.S. to turn inward, resulting in severe cutbacks in military spending. Around 2020, the U.S. began to withdraw active military personnel and shut down military bases in Europe, Africa, and Asia. Instead, the U.S. government relied on the multinational military contractors to fill the resulting security gap and to mitigate the emergence of regional powers.

Nonetheless, Russia reestablished its military influence in Central Asia and Eastern Europe, while the U.S.'s absence from Asia sparked a regional arms race between South Korea, Japan and China. India dramatically increased its military expenditures to counter China and to intimidate Pakistan. Many countries also ramped up cyber-warfare and espionage in order to undermine their rivals. Multi-national corporations soon engaged military contractors as well, first to protect their assets in hostile environments, but later to pursue their own offensive agendas.

Beneath this layer of national and corporate competition, new networks of individuals emerged inside virtual worlds such as Second Life – away from the prying eyes of national security agencies. Pro-democracy movements, advocacy groups and terrorist organizations used serious games within virtual worlds to train the members of their networks. National governments failed to recognize the power of these global networks until 2029, when Chinese democracy advocates organized protests in 100 of China's largest cities to coincide with the 40th anniversary of Tiananmen Square and the 80th birthday of the People's Republic. The protest forced the Chinese government to agree to free elections and political reform after two months of unrest and international pressure.

Throughout the 2030's, great power rivalries within this multi-polar system created failed states in Africa, Asia, the Middle East and Latin America. Rather than fight each other directly, the great powers acted through proxies, providing covert training and funding to paramilitary groups and terrorist organizations while maintaining plausible deniability. Yet the fear of "mutually assured economic destruction" restrained nation-states and multinational corporations from letting small conflicts escalate into full-scale battles.

However, no such restraint exists in the growing and influential virtual worlds. Nation-states and corporations developed their own virtual worlds in the shadows of cyberspace to plan virtual and physical attacks against their competitors. Terrorist groups undertook campaigns of virtual sabotage against computer networks and planned bombing attacks on real-life targets. Meanwhile, other networks used virtual spaces to promote peace and justice and to organize peaceful protests in the real world.

The lines between these actors soon blurred as governments and corporations began to use these networks for their own purposes. For example, a pro-environmental network pushing for change in Russian environmental laws may secretly be supported by a rival government or a multinational corporation eager to weaken a competitor. An eco-terrorist group may receive covert funding from a mainstream pro-environmental network.

By 2039, these complex global networks rival the power of the nation-states. Virtual worlds have become virtual playgrounds with their own unique cultures and their own transnational ideals, values and aspirations. Virtual worlds have their own domains with buildings, laws, mores, businesses, societies and economies. Virtual entrepreneurs create virtual businesses with thousands of customers while virtual governments tax economic activity to provide security and services. Many of these virtual worlds are harmless mirrors of the real world while others have grown into unique intellectual ecosystems that reinforce extremist ideologies and act as staging areas for attacks in the virtual and real worlds.

Further Reading:

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