QICR
Quadrennial Intelligence Community Review

Scenarios

Alternative Futures the IC Could Face
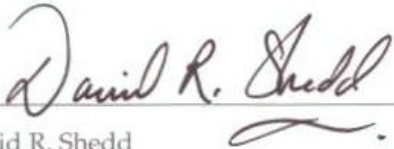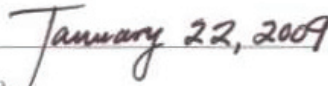
January 2009

PREFACE

The Quadrennial Intelligence Community Review (QICR) 2009 is a scenario-based strategic planning activity that looks out to the year 2025 and considers alternative futures (i.e., "scenarios"), missions the Intelligence Community (IC) might be called on to perform, and the operating principles and capabilities required to fulfill those missions. In short, QICR provides an opportunity to assess how the IC can best position itself to address future challenges. The insights gleaned are intended to help shape the next National Intelligence Strategy and other planning and capability guidance documents.

This document captures the geostrategic scenarios that inform QICR analyses. It also includes the "official future" (i.e., the conventional wisdom about the future strategic landscape), which serves as a reference point for the alternative QICR scenarios. These scenarios draw heavily on the National Intelligence Council (NIC) Global Trends 2025 study issued in November 2008. In contrast to the Global Trends 2025 scenarios, which served many audiences concerned with the future strategic landscape, the QICR scenarios contain additional breadth, granularity, and nuance to consider the possible range of futures for which the IC should prepare. These unclassified scenarios could also support planning efforts elsewhere in the IC and among our foreign, state, local, tribal and industry partners.

The Office of the Director of National Intelligence will issue a separate classified QICR Final Report in the coming weeks that summarizes the implications these scenarios will have on the missions, operating principles, and capabilities the IC will use to manage the range of uncertainties in the future.

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Policy, Plans, and Requirements

Date January 22, 2009

QICR METHODOLOGY

The Quadrennial Intelligence Community Review (QICR) 2009 has two primary purposes: (1) QICR helps the Intelligence Community (IC) minimize surprise by identifying the range of future settings in which the IC might have to operate, and (2) QICR enables the IC, as an enterprise, to manage strategic risk against these possible futures. The scenarios can help identify capabilities that support missions across scenarios ("safe bets"), capabilities for low probability and high consequence permutations that merit preparation ("strategic bets"), and alternative approaches for coping with a range of future environments ("concepts" or "operating principles").

In this way, QICR 2009 differs from the first two QICRs (2001 and 2005), which analyzed the role and posture of intelligence only in particularly stressing vignettes. Where the IC normally focuses on assessing global events and trends to help our customers consider alternative courses of action, this QICR asks, "What do these alternative scenarios mean for the IC itself?" This question helps examine big "what-if" contingencies and hedge against the possibilities.

The QICR 2009 methodology leverages best practices from other industry and government efforts, including Royal Dutch Shell's famous scenario analysis efforts, the Department of State-led interagency Project Horizon activity, and the myriad scenarios used in the Department of Defense. The National Intelligence Council's (NIC) Global Trends 2025 report also served as a foundation for QICR 2009.

Several principles guided development of the QICR process: be systematic, focus on stakeholder learning and engagement, challenge internal thinking with leading outside experts, recognize and incorporate the Government's current conventional wisdom about the future as a baseline, and consider future scenarios separate and apart from the constraints of today. These principles drove a four-phase process that started in June 2008 and ended in early 2009 (see Figure 1):

- **Phase One:** Planning and Stakeholder Engagement. During two 1-day sessions (June 2008), IC stakeholders explored the value of scenario analysis to strategic planning and conducted a dry-run of a proposed methodology for QICR.

- **Phase Two:** Intelligence Scenario Development. During a 2-day workshop (September 2008), stakeholders reviewed four geostrategic scenarios that drew on the work conducted by the NIC's Global Trends 2025 effort. Stakeholders augmented and refined these scenarios for QICR's strategic planning purposes with numerous other scenario sets and relevant literature. In addition, workshop participants ensured the scenarios sufficiently challenged current assumptions about the future.

- **Phase Three:** Missions and Capabilities. Four working groups formed to examine the missions and capabilities associated with each scenario. They met twice for half-days to identify the questions customers will be asking, the operating principles that will guide the posture

QICR Methodology

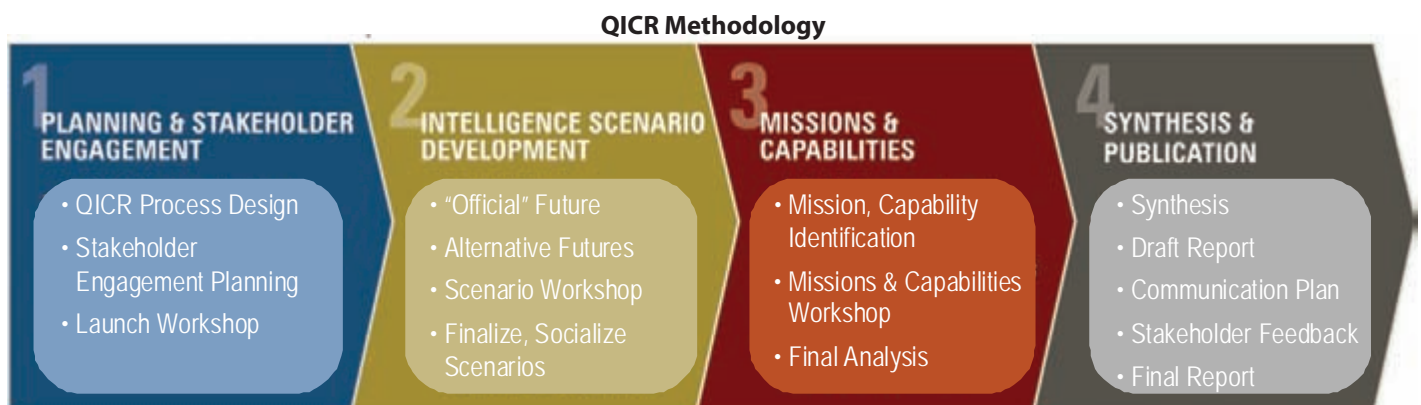| 1 PLANNING & STAKEHOLDER ENGAGEMENT	2 INTELLIGENCE SCENARIO DEVELOPMENT	3 MISSIONS & CAPABILITIES	4 SYNTHESIS & PUBLICATION
• QICR Process Design • Stakeholder Engagement Planning • Launch Workshop	• "Official" Future • Alternative Futures • Scenario Workshop • Finalize, Socialize Scenarios	• Mission, Capability Identification • Missions & Capabilities Workshop • Final Analysis	• Synthesis • Draft Report • Communication Plan • Stakeholder Feedback • Final Report

Figure 1

of the IC given the environment, the specific missions the IC will be asked to perform, and the capabilities ultimately required. At a 2-day workshop (November 2008), the four teams briefed and refined their findings, assessed the common missions and capabilities across the four scenarios (safe bets), identified needed capabilities for low probability and high consequence permutations (strategic bets), and elicited alternative approaches for coping with a range of future environments. Participants also considered the risks and implications of the identified missions and capabilities.

Phase Four: Synthesis and Publication. The results of the Phase Three workshop were synthesized and put into the context of a draft report for stakeholder feedback. The report calls out specific insights that deserve consideration in the next National Intelligence Strategy, Capability Programming Guidance (second quarter of fiscal year 2009), and the Intelligence Planning Guidance (third quarter of fiscal year 2009).

The QICR process has benefited from robust participation across the IC, including the Office of the Director of National Intelligence (ODNI), partner federal departments, and select state and local law enforcement departments. Figure 2 lists the U.S. Government QICR participants.

QICR U.S. Government Participation Summary

- *Central Intelligence Agency*

- *Defense Intelligence Agency*

- *Department of Energy (Intelligence and Counterintelligence)*

- *Department of Homeland Security (Under Secretary for Policy, Under Secretary for Intelligence and Analysis)*

- *Department of State (Intelligence and Research)*

- *Department of the Treasury (Intelligence and Analysis)*

- *Drug Enforcement Administration (Intelligence)*

- *Federal Bureau of Investigation (National Security Branch)*

- *Marine Corps Intelligence Activity*

- *National Geospatial-Intelligence Agency*

- *National Reconnaissance Office*

- *National Security Agency*

- *Office of the Director of National Intelligence (various offices and mission centers)*

- *Office of Naval Intelligence*

- *United States Air Force A2*

- *United States Army G2*

- *Department of Defense (Under Secretary of Defense for Intelligence, Under Secretary of Defense for Policy)*

Figure 2

PHASE TWO: DEVELOPING THE INTELLIGENCE SCENARIOS

UNDERSTANDING THE "OFFICIAL FUTURE"

Understanding the current interpretation of the future is equally important to creating a robust set of alternative future scenarios. Often, the "official future" is embedded in Government strategic planning documents and leading journals. An analysis of a wide range of U.S. Government planning documents, dozens of open source journal articles, and numerous think tank reports revealed and highlighted key recurring themes while also pointing out some important internal contradictions. Figure 3 lists the inputs used for determining the official future.

Although these documents operated at various levels of detail and did not describe a fully coherent vision of the future, collectively they capture the presumed key features of the future and the underlying assumptions across four categories: Geostrategic Environment, U.S. National Security Environment, Needed IC Capabilities, and Nature of Future IC Operations.

Geostrategic Environment

The U.S. will find itself in a radically transformed world with novel geopolitical and security environments. Although U.S. influence will decline, America and its ideals will retain global preeminence. The following assumptions underlie the geostrategic environment:

- The future will be fundamentally different from the past.

- Historical lessons will guide how the U.S. adapts in the future.

- America will be globally preeminent, yet its relative power will decline.

- American interests and values will not change and will remain important globally.

- Alliances will be crucial to U.S. strength.

QICR "Official Future": U.S. Government Planning Documents Consulted

- *National Security Strategy of the United States, The White House (2002)*

- *National Security Strategy of the United States, The White House (2006)*

- *Global Trends 2025: A Transformed World, National Intelligence Council, (2008)*

- *National Strategy for Information Sharing, The White House (2007)*

- *Vision 2015, Office of the Director of National Intelligence (2008)*

- *Mapping the Global Future, National Intelligence Council (2004)*

- *National Counterintelligence Strategy, Office of the Director of National Intelligence (2007)*

- *Strategic Intent 2007–2011, Central Intelligence Agency (2007)*

- *NSG Statement of Strategic Intent, National Geospatial-Intelligence Agency (2007)*

- *NSA/CSS Strategic Plan, National Security Agency (2006)*

- *Transforming the National Reconnaissance Office Enterprise, National Reconnaissance Office (2008)*

- *Defense Intelligence Strategy, Under Secretary of Defense for Intelligence (2008)*

- *National Strategy for Homeland Security, Department of Homeland Security (2007)*

- *State 2025 Working Group Final Report, Department of State (2008)*

- *Federal Bureau of Investigation Strategic Plan 2004-2009, Federal Bureau of Investigation (2004)*

- *Joint Vision 2020, Joint Chiefs of Staff (Department of Defense) (2000)*

- *Quadrennial Defense Review Report, Department of Defense (2006)*

- *21st Century Strategic Technology Vectors, Defense Science Board (2006)*

- *The 9/11 Commission Report, National Commission on Terrorist Attacks Upon the United States (2004)*

- *WMD Commission Report, The Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction (2005)*

Figure 3

U.S. National Security Environment

Multiple unpredictable and complex threats will characterize the security environment facing the U.S. The following assumptions underlie the U.S. national security environment:

- The U.S. will face multiple threats from state and non-state actors.

- The security environment will consist of reduced warning times and compressed decision cycles.

- Complex threats will transcend geographic borders and organizational boundaries.

- The security environment will demand a high operational tempo to achieve success.

Needed IC Capabilities

The U.S. will need to respond rapidly and conduct innovative analysis to achieve success in confronting state and non-state challenges. The following assumptions underlie needed IC capabilities:

- The U.S. Government will master the sociopolitical landscape to respond to new actors and threats.

- Intelligence agencies will make more extensive use of open source information.

- The IC will employ more innovative analytical techniques and collection means.

Nature of Future IC Operations

The U.S. national security establishment will transform itself by integrating and building networks in an atmosphere of revolutionary change. In meeting these challenges, the IC must continue to preserve privacy while providing security. The following assumptions underlie the nature of future IC operations:

- A new era requires the fundamental transformation of the national security establishment.

- The IC will integrate and organize around missions rather than collection methods.

- The IC will respect U.S. citizens' rights to privacy while ensuring national security.

- The IC will partner with outside experts to complement its knowledge and capabilities.

- Integration and better utilization of technical networks will create synergies enormously beneficial to the U.S. Government.

- The IC's customers will increase in number, variety, and sophistication.

- The IC will better share intelligence across agencies.

- Classified working environments will remain the norm.

- The IC will require improved technical and human resources to succeed.

This approximation of the official future informs how the IC currently plans, even if not always with complete internal consistency. Indeed, managers and organizations make hundreds of practical decisions based on this vision (e.g., what projects to fund, whom to hire, which IT systems to adopt, which policies to change, which information sharing processes to use, etc.).

But what if the premises of this official future prove faulty? Therein lies the value of alternative scenarios.

CREATING THE QICR SCENARIOS

Phase Two of the QICR 2009 process produced the QICR scenarios. To serve QICR's long-range strategic planning purposes, scenarios were developed to be divergent, plausible, challenging (compared to the official future), and relevant to the IC. In other words, the scenarios needed to describe substantively different future scenarios (i.e., different from each other and from the official future); be deemed conceivable and beyond what the U.S. Government is substantially planning for today; and impute distinct implications for the IC.

Leveraging a methodology proven in business, non-profit organizations, and government, QICR followed three steps to develop a set of scenarios that met these criteria:

- Identify underlying driving forces that are beyond the IC's power to influence.

- Adapt, modify, and extend the geostrategic scenarios to ensure they sufficiently challenge the assumptions within the official future.

- Test the scenarios with individuals from across the IC and with external experts; adjust the scenarios as necessary.

QICR began with the scenarios that the NIC's Global Trends 2025 project developed, which described the geostrategic environments that might challenge U.S. national security interests in the year 2025. We adapted these scenarios to reflect insights from other recognized scenario sets that bore out more clearly the implications for intelligence (see Figure 4).

Geopolitical Scenario Sets Considered in QICR to Complement NIC Global Trends 2025

- *China and the World: Scenarios to 2025, World Economic Forum (2006)*

- *Russia and the World: Scenarios to 2025, World Economic Forum (2006)*

- *India and the World: Scenarios to 2025, World Economic Forum (2004)*

- *Shell Energy to 2050, Shell International Limited (2008)*

- *The Shell Global Scenarios to 2025, Shell International Limited (2005)*

- *Shell People and Connections to 2020, Shell International Limited (2002)*

- *Siemens Horizon to 2020, Siemens AG (2004)*

Figure 4

Finally, to ensure that the QICR scenarios would be plausible and relevant to the IC, the ODNI assembled representatives from across the IC and leading outside experts for a 2-day workshop in September 2008.

Workshop participants reviewed the draft scenarios and provided dozens of specific recommendations for improvement, explored the scenarios' implications, and evaluated their overall utility for QICR's planning purposes. This deliberative process produced the final scenario set. Even though they diverge from the original scenarios in Global Trends 2025, we have retained their names—"World Without the West," "BRIC Bust-Up" (Brazil, Russia, India, and China), "October Surprise," and "All Politics Is not Always Local"—to highlight the analytic lineage.

The scenario team created the scenario set based on two key dimensions of uncertainty that would drive the IC in divergent ways (see Figure 5).

One uncertainty is key players, or the relative importance of the nation state. In the left two scenarios, states are more dominant and drive global dynamics, whereas in the right two scenarios non-state actors, including religious movements, non-governmental organizations (NGOs), super-empowered individuals, and international and transnational institutions matter much more.

The other uncertainty is global cooperation, or how the key players engage. In the top two scenarios key players are more aligned, often in competing groups, through partnerships and cross-border affiliations. The bottom two scenarios highlight a set of fragmented actors who range from being loosely aligned and independent to being in active conflict with each other.

Scenario specifics are organized around seven key variables:

- Political and military

- Social and cultural

- Demographic and health

- U.S. domestic environment

- Innovation and technology

- Energy and environment

- Economic and financial

These variables combine to create unique threats, priorities, and challenges for U.S. leaders.

APPLYING THE QICR SCENARIOS

The QICR scenarios' primary purpose is to inform ODNI's management of the National Intelligence Program and prepare the IC for a range of uncertainty. However, the scenarios also have substantial utility in other arenas to help manage uncertainty. The ODNI encourages other elements and components (e.g., IC elements, U.S. Government departments and agencies, foreign intelligence services) to use these scenarios to make their planning and decision-making more robust.

More information about the QICR scenarios, including how they might be used for decision-making purposes, is available from the Strategy, Plans, and Requirements office within the ODNI Policy, Plans, and Requirements organization.
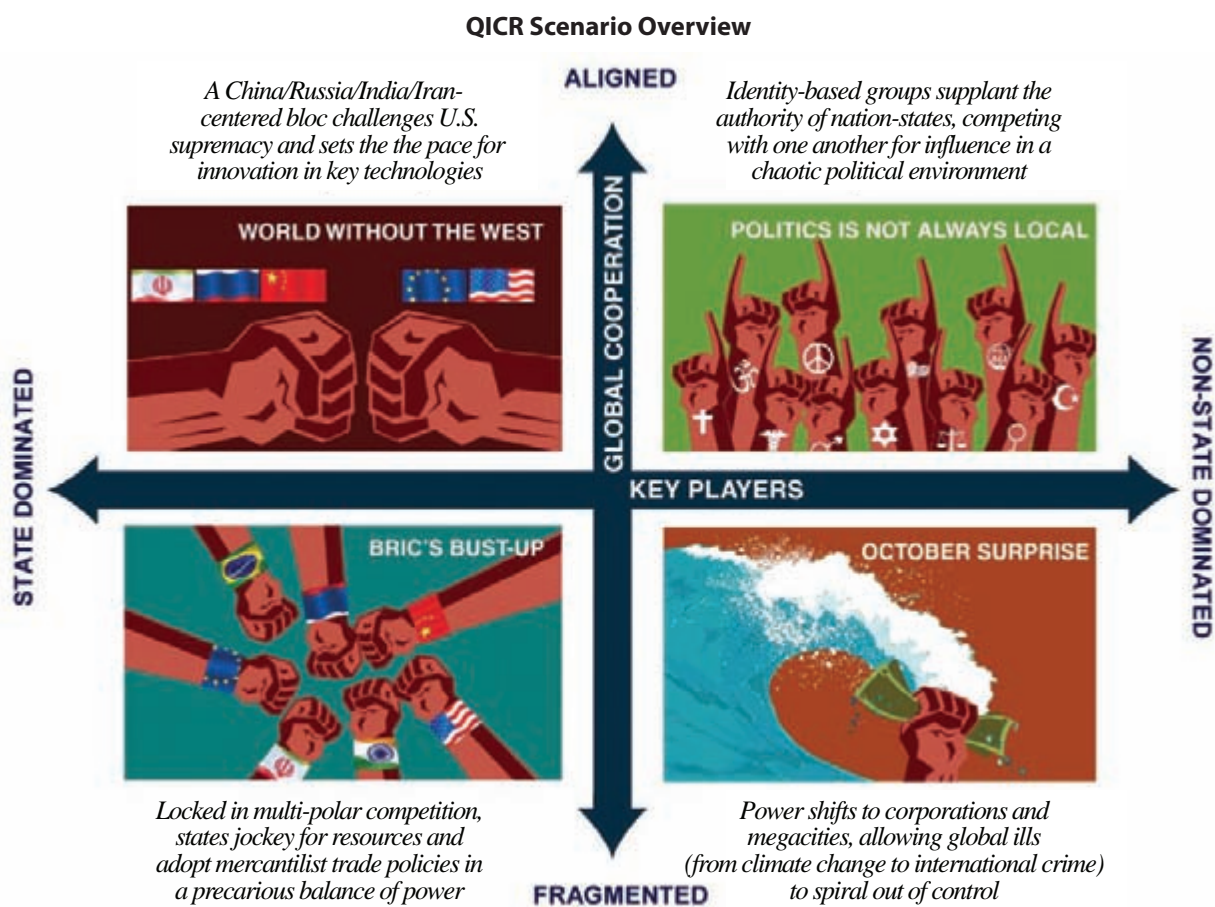
QICR Scenario Overview

A China/Russia/India/Iran-centered bloc challenges U.S. supremacy and sets the the pace for innovation in key technologies

WORLD WITHOUT THE WEST

Identity-based groups supplant the authority of nation-states, competing with one another for influence in a chaotic political environment

POLITICS IS NOT ALWAYS LOCAL

ALIGNED

GLOBAL COOPERATION

STATE DOMINATED

KEY PLAYERS

NON-STATE DOMINATED

BRIC'S BUST-UP

OCTOBER SURPRISE

FRAGMENTED

Locked in multi-polar competition, states jockey for resources and adopt mercantilist trade policies in a precarious balance of power

Power shifts to corporations and megacities, allowing global ills (from climate change to international crime) to spiral out of control

Figure 5

WORLD WITHOUT THE WEST

SUMMARY

In 2025, the Shanghai Cooperation Organization (SCO) expands to include Russia, China, India, and Iran, creating a fragile new coalition. Antagonism toward Western protectionism and complementary interests drives this coalition. Although the U.S. and its European allies remain an important counterweight, the world focuses on the dynamic of this new coalition, hence a "World Without the West." Framing their cooperation as a new counterbalance to "Washington Consensus" economics and American military preeminence, these countries leverage their vast energy reserves, huge populations, and high level of technological development to challenge U.S. economic, military, and technological supremacy.

Although this alignment is generally acknowledged as a "marriage of convenience" and does not always encourage direct competition with Western institutions, it increasingly offers pathways for the SCO countries and their allies to circumvent the West's traditional influence in politics and economics. America and Europe maintain strong ties built on mutual affinity, but trans-Pacific relations are chilly. As states seek energy security and strengthened spheres of influence, the result is confrontations in familiar and new venues, often carried out through proxies. The United Nations (UN) and other international institutions slowly fade in importance, given fierce interstate competition and the widening rift between the two sides.

GEOSTRATEGIC ENVIRONMENT

A struggle rife with mistrust and widespread competition that mixes economic, nationalistic, and ideological elements shapes the political and military sphere. This friction leads to significant military build-ups by countries in the West and in the Sino-Russian coalition as each group looks to strengthen its relative power position. The West and the expanded version of the SCO seek energy security and spheres of influence, competing for allies in strategic regions such as the Middle East as well as on their own peripheries. As SCO nations increase their influence abroad, they develop global military reach through capabilities such as blue water navies and robust airlift support. SCO nations also begin to play an active peacekeeping role in regions where they have strategic interests.

Declining U.S. influence leads to a reassessment and realignment of today's alliances, especially as traditional non-Western partners, such as Japan, reconsider their strategic priorities given the rise of the Sino-Russian coalition. Both sides look to leverage new innovations in science and technology to establish control over non-traditional battlegrounds. This effort leads space, the Arctic, and cyberspace to become increasingly militarized and to emerge as critical venues of competition and conflict.

Alternative models of the state-society relationship, which the Sino-Russian coalition promotes, shape social and cultural development. Although Western nations remain pluralist democracies with robust civil societies, nations in the Sino-Russian coalition (aside from India) continue their model of authoritarian capitalism that emphasizes the dominance of the state over society and the individual. Consequently, media freedom is limited across Sino-Russian coalition states. SCO societies, more than the West, accept new technologies that alter the human condition, particularly in biotechnology. As China and Russia gain global influence, the "Washington Consensus" model of economic development, emphasizing deregulation, privatization, and greater currency liberalization, becomes increasingly unpopular, causing many non-aligned states in the developing world to rethink their own developmental priorities.

As the world becomes significantly polarized, health-

care becomes an important front for global competition. Sino-Russian coalition powers gain an edge in fields such as biotechnology, where less constrained ethical models and weaker regulation foster rapid and innovative research and development (R&D). Indian and Chinese generic pharmaceutical and medical device manufacturers gain an increasing foothold beyond emerging markets.

Demographic differences also play an important role in shaping the competitive landscape. In the West, aging populations continue to strain overburdened healthcare systems and lower fertility rates, thereby reducing the size of the available labor pool, particularly in Europe.

America struggles with its identity as its relative power is challenged. The reversion of many citizens to a Cold War mentality shapes the U.S. domestic environment. Facing militarized, sophisticated, and powerful global adversaries, U.S. citizens prioritize national security, even at the expense of individual privacy. U.S. industry faces increasingly skilled competition from technology and knowledge-oriented multinational companies that often out-perform Western incumbents. However, the U.S. defense industry remains well-funded and becomes one of the best places for new college graduates to turn to for employment.

Sino-Russian coalition states further develop their capacity in technology and innovation, eroding the West's position as the world's undisputed technology leader. For the West, these developments are exacerbated by the fact that other parts of the world poorly enforce intellectual property rights, creating a difficult competitive landscape for Western companies and lowering incentives for innovation. Taking advantage of their combined scale, homegrown Chinese, Russian, and Indian scientists and engineers also lead the creation of new centers of innovation reminiscent of Silicon Valley. Simultaneously, Silicon Valley struggles to keep pace. The distinction between civil and military technologies blurs because almost every technology is considered to be dual-use at some level.

The Sino-Russian coalition pursues a "growth-first" strategy that strains the environment and drives a scramble for energy and other critical natural resources. Even though this environmental disregard gives birth to dissident environmental movements in

some parts of the Sino-Russian coalition, the coalition is stifled by authoritarian regimes and gains little traction. Although Western nations make joint investments in technology and infrastructure to support alternative energy sources (e.g., biofuels, clean coal, and hydrogen), overall there is very little success in global efforts to mitigate environmental problems that range from climate change to overfishing.

Economic growth patterns vary in this world. Lagging economic growth in the West leads America and Europe to undertake protectionist trade measures. However, SCO states continue to grow robustly, fueled by growing middle classes and access to natural resources. Centers of international finance shift away from New York and London to China and the Persian Gulf, driven by not only political factors but also the perceived need to have proximity to these new sources of wealth. The developing world also grows significantly, highlighted by increasing trade flows among those countries. However, growth rates vary widely across smaller scale polities as squabbles over energy sources feed into higher energy prices worldwide.

U.S. NATIONAL SECURITY ENVIRONMENT

As military buildups and strategic partnerships among non-Western powers challenge American military preeminence, the potential for major state conflict involving weapons of mass destruction (WMD) looms. The threat of conflict in new types of battlegrounds necessitates the development of diverse defense capabilities. Consequently, a number of state actors and broader forces pose the primary threats to U.S. national security.

Russia also reestablishes its military strength, including a rebuilt nuclear stockpile and reinforced conventional capabilities. China dramatically extends its power projection capabilities through investment in its formidable army, growing blue water navy, and leadership in biotechnology. Finally, the U.S. continues to be threatened by the development of WMD by Iran other non-aligned states that benefit from the covert support of the SCO coalition.

U.S. POLICY

Given these threats, American leaders supplement

military power initiatives with diplomatic efforts to reaffirm existing partnerships and prevent the further erosion of U.S. influence abroad. To accomplish this effort, American priorities include strengthening economic and military ties with European partners and developing greater links with states in the Western Hemisphere, such as Brazil, to provide a credible counterweight to the SCO. Leaders also reaffirm ties with traditional partners in the SCO's backyard (e.g., Japan, Thailand, Saudi Arabia) to buttress American interests in the region. Finally, U.S. leaders prioritize the development of science and technology resources to strengthen defense capabilities in nontraditional battlegrounds.

While considering these threats and priorities, leaders must keep in mind that the declining military, economic, and technological preeminence of the U.S. presents new operating challenges in a world in which SCO nations can increasingly avert or subvert traditional Western sources of power. Other key issues include leveraging the tools of diplomacy despite increasing competition from the Sino-Russian coalition and diminished influence of trans-Atlantic allies attributed to Europe's economic, political, and military decline. Further, vastly diminished U.S. influence in the SCO sphere and in the developing world makes it difficult to prevent states from acquiring WMD. Slowing economic growth, which limits spending on defense and homeland security, also challenges U.S. leaders.

BRIC'S BUST-UP

SUMMARY

In 2025, a series of energy and resource shortages, particularly acute in Asia, disrupt what had promised to be a steady period of growth led by the BRIC countries. Governments around the world take a zero-sum attitude to international affairs and retreat from free trade commitments, adopting mercantilist economic policies defined by assertive protectionism. Economic growth slows as states champion domestic technology initiatives and national conglomerates. These actions constrain the flow of goods, capital, and information across borders. Intense energy competition and transient shifting alliances lead to a rise in local skirmishes and an escalating threat of interstate war. This lack of international cohesion allows nuclear weapons to proliferate in Asia and the Middle East, leading to a precarious balance of mutually deterrent powers that in some ways resembles a 21st-century replay of the years before 1914.

GEOSTRATEGIC ENVIRONMENT

Increasingly assertive states that have a singular interest in their relative power positions shape the political and military environment. High energy demand causes competition for energy supplies and control of transit routes, particularly in Asia. This competition to secure resources leads to significant military clashes in the sea lanes of communication in the Spratly Islands in Asia and energy hotspots in Africa. In an environment of widespread nuclear proliferation and new military strategies, tensions between major powers rise rapidly, leading to the breakdown of treaties and increasing the potential for the inadvertent outbreak of conflict. As a consequence of this shift toward retrenchment, international and regional organizations decline in scale and authority. The European Union (EU), which has bucked centrifugal political forces and coalesced as a singular identity, marginalizes the North Atlantic Treaty Organization. Despite this global retrenchment, the U.S. maintains certain key alliances to protect global sea lanes and to ensure the security of its energy supply. Predictable military doctrines no longer hold as old alliances fracture and WMD proliferate. The global balance of power regularly changes as nations jockey for access to resources. This simmering competition between nations results in a growing wave of nationalism. States seek to avoid foreign influence in their domestic affairs, reinforcing anti-immigration and protectionist measures around the world.

Growing nationalism also affects the social and cultural sphere, as political parties mobilize mass populations in support of nationalist activities that effectively stifle public criticism. Publics generally become more supportive of coercive state policies and citizens increasingly report potentially subversive individuals to authorities in the name of patriotism. This focus on national security also produces strong public support for increased border security in an effort to reduce terrorism and international crime. Predictably, this growing sense of retrenchment and emphasis on state security has a number of adverse effects on international relations. Virulent nationalists revive historic tensions, particularly among Asian rivals such as Japan, China, and India. This inward shift also disrupts historic cultural, commercial, and military alignments, undermining U.S.-Republic of Korea, U.S.-EU, and even U.S.-United Kingdom relations.

The growing wave of national retrenchment also produces a number of significant limitations on the free flow of goods and ideas, dampening the effectiveness of global health efforts. As a result, global R&D, healthcare best practices, and even medications are not always shared across borders. Nations begin to prohibit patients from receiving new medications and vaccines if they are not citizens of the country in which the R&D was performed. Further, immigration restrictions and heightened border security have a significant impact on demographics, especially in the rapidly aging West, where national governments have to address the challenges a

shrinking labor pool and rising social welfare costs present.

A focus on national security issues permeates nearly all segments of life in the U.S. domestic environment, as a patriotic and insular public backs state control of the information environment in the name of increased security. Although the Government's expanded presence in the information environment results in the loss of personal privacy and the adoption of a national identification card, the public trusts that the Government will protect citizens' data and interests from foreign powers and individuals.

Like other sectors, technology and innovation in this world become nationally centered. As a result, states that cannot acquire WMD invest in indigenous R&D in nontraditional warfare technologies such as advanced hacking capabilities. This wave of nationalism also spreads to the digital domain and more countries replicate China's approach to Internet censorship, creating national firewalls. Although this slows global technology development, governments and their national champions are able to control technology and set national research agendas. However, the fractured landscape of technology development leads to conflicting protocols and standards, particularly across communications platforms.

The resurgent nationalism driving the geopolitical realities of this world are most clearly evidenced in the global pursuit of energy resources, with nationally focused energy security policies taking a significant toll on the environment. The fractured international economy fails to provide technological solutions to hydrocarbon consumption and the global environmental crisis. Multilateral solutions fail as states seek to enhance their relative power and avoid the oversight of international institutions. While a few states with "green" publics seek the joint goal of energy independence and environmental stewardship, the focus of most national governments and publics is on short-term energy solutions, making coal power an increasingly attractive option.

As states adopt protectionist trade policies and focus on domestic growth, mercantilism re-emerges as the dominant global economic model, and governments enact strict measures to prevent the loss of intellectual capital from "brain drain." However, states restrict

capital and goods from flowing freely and efficiently across national borders, and the global financial infrastructure suffers from greatly reduced relevancy and efficiency, thereby limiting economic growth. This results in the creation of multiple sub-scale national markets for energy and resources that lack efficiency and drive up prices.

U.S. NATIONAL SECURITY ENVIRONMENT

Global military buildups and an increase in the number of flashpoints, especially related to energy issues in the Middle East and Asia, combine to form key national security threats. In addition, potential disruption of access to foreign energy and natural resources threatens the U.S. economy. The absence of strong multilateral institutions and WMD proliferation among rival states raise the possibility that sudden escalations of small conflicts could draw the U.S. into a shooting war—perhaps against a country, or countries, with WMD.

U.S. POLICY

Top priorities for U.S. leaders include securing energy supplies and other critical natural resources. Due to a lack of forward operating bases, naval power and global strike capacity takes on increased importance. Mobile military assets (e.g., naval forces) and opportunistic, short-term partnerships with strategically located countries are integral to both securing energy resources and the associated energy transportation infrastructure. Leaders must also focus on developing alternative energy sources. In the absence of formal international institutions, the U.S. continues to place priority on solidifying ties with like-minded states on important shared interests, such as reducing weapons proliferation.

In an unstable and uncooperative environment, the U.S. must defend against asymmetric threats with only limited support from allies and international institutions. The erosion of traditional alliances leads to a loss of military partners, fewer joint capabilities, and access to fewer strategic bases. Without a clear geostrategic order, short-term and opportunistic alliances prevent trust and collaboration on security issues. Fragile, temporary alliances are especially difficult to leverage for long-term strategic initiatives and difficult to communicate to the American public.

Slow economic growth, resulting from intermittent energy crises and strict immigration controls, further reduces the Government's options.

OCTOBER SURPRISE

SUMMARY

In the 2025 world called October Surprise, governments and global elites pursue short-term economic gain above all else. Their aggressive focus on growth, efficient markets, and robust trade eventually causes financial volatility as a result of poorly organized, uncoordinated responses to crises in global health, environmental change, and other international issues. The global economic system appears robust and successfully promotes prosperity, but this type of globalization also has a dark side: trafficking of illicit goods, human rights violations, and a widening gap between rich and poor. Health and environmental disasters—some sudden and others slow-burning—frequently overwhelm domestic agencies, which are increasingly understaffed. Climate change becomes an acute concern, exacerbating resource scarcities and damaging coastal urban centers. One such climate disaster, a hurricane striking Manhattan with little warning (the "October Surprise") during a major world conference, demonstrates the danger posed by this world.

GEOSTRATEGIC ENVIRONMENT

Governments' preoccupation with growth and domestic affairs produces a vacuum of international political authority and shapes the political and military environment. As a result, weakened international organizations neglect myriad issues, from humanitarian aid and global environment solutions to military conflict. Governments, particularly those lacking transparency, lose legitimacy as they fail to adequately address environmental and other disasters. Some NGOs and super-empowered individuals step in and attempt to fill the governmental leadership void; however, they are limited in their ability to perform tasks requiring cross-border coordination, such as peacekeeping. In addition, powerful, self-sustaining megacities displace national authority. These megacities, sometimes supported by interested corporations, increasingly demand localized services. Governments create city- and community-level intelligence agencies to provide local intelligence coverage. The influence of the corporate sphere also begins to encroach on the security functions traditionally provided by state law enforcement, as multinational corporations increasingly opt to rely on private military contractors to protect their assets and employees worldwide.

A number of significant social and cultural consequences emerge as governments focus on growth at the expense of equality. In the developed world, a lack of state protections alienates minority and immigrant groups, particularly in European social welfare states. Meanwhile, in the developing world, massive urbanization and insufficient infrastructure exacerbate social conflict. Jurisdictionally ambiguous spaces such as refugee camps, slums, and "no-go" areas grow in size and number. Throughout the world, growing class differences arise from disparities in the quality of education, healthcare, and other social services.

While strong global economic growth leads to generally enhanced health standards, most medical innovations cater to wealthier populations. Profit-driven multinationals invest in lifestyle drugs, anti-aging drugs, and cosmetic improvements instead of vaccines and immunizations. Leading scientists and researchers leave the decaying public health sector for more prosperous careers with private firms; diseases associated with poverty are largely ignored. On the global level, international organizations tasked with addressing international health and environmental issues decline in authority; eventually some dissolve and many scale back drastically.

In this world, a free flow of workers to centralized areas of economic growth drives large demographic shifts, fueling rapid urbanization and the rise of powerful megacities domestically and abroad. As these megacities grow in size, the physical boundaries between individual cities

and towns blur and borders become more porous.

In the U.S. domestic environment, the public focuses primarily on economic growth. However, strong demand for privacy and the migration of talent to the private sector combine to weaken the public sector, leaving government agencies disadvantaged and understaffed. Citizens express their suspicions of big government by demanding rigorous legal privacy protections, and the consolidated political power of megacities leads to a public call for tax funds to be redirected from declining rural areas to growing urban centers. The growth-focused forces driving this world also produce an information environment dominated by oligopolists and a labor force that is global, mobile, and motivated primarily by material gain.

As people and ideas flow freely across international borders, innovation becomes truly global. However, despite significant progress in technology, no entity finds a "silver bullet" for halting the effects of climate change, in part because of a lack of government funding and incentives. An R&D agenda dominated by commercial interests fuels the innovation landscape. The global wealthy class flocks to prosthetic and molecular biotechnology for life enhancements. As a result of their expanded influence, criminal organizations also pay close attention to the innovation sphere, learning how to quickly apply new technologies to illicit functions in order to expand their capabilities.

The "growth-first" mentalities driving this world also lead to widespread environmental neglect and degradation, as global climate change exacerbates local problems. National solutions to environmental problems are short-term and inadequate, and a "tragedy of the commons" occurs as an unfettered private sector ravages the environment and rapidly consumes natural resources, contributing to famine, flooding, and other disasters. As a result, environmental catastrophes affect major urban locations, such as New York and Tokyo, and pandemics spread across the globe, particularly in the developing world.

Despite significant economic growth driven by multinationals and coordinated economic activity, global trade organizations exert less influence as market forces and private negotiations drive trade agreements. Multinational corporations around the globe exert tremendous political and economic influence and seem well-positioned to address some of the world's largest issues, such as disaster relief. In addition, philanthropies built on the wealth of wildly successful individuals increasingly set the agenda in the areas of health, the environment, and other human welfare issues, evoking a backlash in some countries. Criminals and terrorists begin to exploit massive cross-border flows to further their causes by smuggling illicit goods, weapons, and people.

U.S. NATIONAL SECURITY ENVIRONMENT

Despite increasing prosperity, climate change causes health crises and environmental threats that challenge weakened government and international institutions. Furthermore, porous borders exacerbate health crises and facilitate the spread of international crime. Threats to the U.S. national security environment include natural disasters that cause significant physical destruction and threaten key infrastructure such as power grids, financial systems, and water containment systems. Pandemics threaten public safety, trigger widespread anxiety, and stretch resources. Moreover, the growing social stratification and inequality that results from a "growth at all costs" mentality drives antagonistic "have nots" to challenge government authority and turn increasingly violent. Finally, government spending on defense and intelligence is significantly decreased due to an environment with few traditional geopolitical threats. This leaves little capacity to respond to crises, threatening the Government's ability to react rapidly and effectively to environmental catastrophes and public health emergencies.

U.S. POLICY

With reduced resources, government leaders increasingly partner with private actors to coordinate emergency responses to health and environmental threats. The U.S. establishes incentive programs for private actors to develop common solutions to climate change and to prevent "race to the bottom" practices that produce destructive consequences. Other top government priorities include increasing the resiliency of infrastructure to natural disasters by developing integrated emergency response protocols. Leaders must also address fundamental causes of

civil unrest by ensuring access to key services such as health and education, and by expanding public and political outreach. To increase law enforcement's ability to respond to criminal cartels and terror groups, law enforcement entities put systems in place to further enhance information sharing and localized intelligence services in emerging megacities to provide targeted intelligence coverage.

While considering these threats and priorities, leaders must overcome several key challenges. First, important resources—including capital, talent, and technology—shift to the private sector, thereby limiting the power of the Government. Second, the effectiveness of state-level diplomacy declines as multinational corporations increase their political capital and bargaining power. Third, a tense relationship between the Government and citizens leads to frequent organized protests and instances of local violence. Finally, profit-motivated state actors dominate the information environment, limiting the Government's access to critical data. Suspicion by citizens about intrusive government actions leads to vigorous legal protections and produces further operating challenges for government leaders and public sector agencies.

POLITICS IS NOT ALWAYS LOCAL

SUMMARY

By 2025 a subtle but unmistakable power shift has enabled identity-centric groups to gradually supplant the authority of traditional nation states. The rapid diffusion of mobile phones and Internet connectivity enables much of the world's population to join networks that transcend national borders, giving voice to latent desires for affiliation based on religion, ethnicity, class, ideology, and other elements of self-definition. National leaders frequently find their authority challenged in a variety of indirect ways: megacities forge their own policies and partnerships, a multitude of social and political movements lobby for change, and ideologically motivated groups cause violent disruptions. Peace and prosperity are far from universal as a rapidly changing cast of these non-state actors compete for popularity, influence, and power in a chaotic political environment.

GEOSTRATEGIC ENVIRONMENT

The decreased power of national government drives the political realities of this decentralized world. Although atomized identity groups cannot cope with transnational problems, they provide many formerly local "state services," create their own international forum, and gain seats at organizations such as the UN, International Labor Organization, and World Trade Organization. International and regional institutions begin to deteriorate despite attempts to incorporate numerous non-state actors. The expansion of criminal

organizations that frequently trade in legal goods and compete with governments to offer basic services poses an additional challenge to government authority. The decline in traditional state authority also shapes the military environment in this world, as national militaries face weakened support in terms of public backing and the number of volunteers or willing draftees. In contrast, the military capabilities of transnational ethnic, religious, and other identity groups increase dramatically. Connections among groups in different countries, along with weakened export controls, enable the ad hoc proliferation of weapons and technology. As a result, many groups operate their own private security forces. As many central governments face demands of independence from sub-regions, particularly those rich in resources, some have no choice but to give in, leading to a decline in traditional state authority.

Advances in communications technology enable newly empowered individuals to join groups that affirm their identities. The emergence of new group models and structures that challenge traditional notions of absolute patriotism, location-centric community, and singular loyalty shape social and cultural developments. As a result of these technological advances, global media becomes more dynamic, pluralistic, balkanized, and organized in new ways that are further enabled by a lack of powerful governments. These transformational forces also allow diasporas, labor unions, NGOs, ethnic groups, religious factions, and others to acquire significant influence and establish formal and informal relationships with states. However, the lack of traditional political authority also results in an abundance of jurisdictionally ambiguous spaces. The proliferation of groups produces fewer shared norms, making negotiation between groups more difficult. A fragmented society cannot agree on what constitutes the public good, degrading shared services such as water delivery, roads, schools, and parks.

Forces of decentralization also affect health and demographics in this world. Medical breakthroughs are rapidly shared across borders, but healthcare operates in silos based on divergent healthcare systems. As a consequence, large-scale public health services are greatly reduced and non-state actors and empowered individuals bear the burden of healthcare. Further, sophisticated profiling based on advancements in genome mapping leads to preferential treatment of "low-risk" populations and uneven access to healthcare coverage and medical resources. Demographic shifts emerge when affinity

groups formed in virtual space develop geographically proximate communities including affinity-based townships composed of individuals with common values and interests.

In the U.S. domestic environment, civil society fractures into a multitude of discrete groups with competing social and political agendas, many of which have strong transnational connections. Because individuals remain within these strict identity groups, the labor force has low turnover and narrow perspectives, causing enormous variance in talent across different occupational groups. The decline in the central government's authority also leads individuals to strongly demand privacy, which they obtain via technological solutions and difficult-to-penetrate communities. In addition, identity-driven information providers dominate this world's domestic information environment. This "cyber-Balkanization" creates vast amounts of information, mostly authored from narrow points of view.

Organizations in this world become deeply reliant on advanced information and communications technology, which facilitates rapid and decentralized knowledge sharing. These capabilities, and emerging technologies in other fields, allow individuals to form a wide range of new social networks and affinity groups by quickly and easily identifying others with common interests.

Differences of opinions on environmental issues are another basis of competition among fragmented identity groups, hampering the cooperation necessary to address transnational environmental challenges. As global air and water pollution intensify, and fish stocks are depleted, communities solve local environmental problems on an ad hoc basis. However, the lack of agreement among sub-national groups and the significant decline in the ability of states to negotiate with each other on a bilateral and multilateral basis restrict effective global responses.

Global economic growth is uneven between, among, and within countries and also varies widely across smaller scale polities, because the nation state has lost its status as the dominant political unit in this world. Some governments find it increasingly difficult to enforce national tax regimes, reducing government spending dramatically in some countries. Group affinities play a more significant role in global business, and global capital flows shift toward being intra-group. Trade flows remain significant and export controls fade. Furthermore, new currencies begin to appear, many backed by physical resources rather than by the authority of a sovereign central bank.

U.S. NATIONAL SECURITY ENVIRONMENT

As affinity groups proliferate, a subset of these groups attacks rivals in both physical and virtual space. As a result, skirmishes pose an increasing national security threat, whether targeted directly at the U.S. or at affinity groups with members on U.S. soil. The attacking affinity groups often receive financing through illicit trade; collocated members tend to base operations in under-governed areas. They favor tactics such as bombings with low-cost unmanned aerial vehicles, cyber-attacks, and system disruptions of critical infrastructure designed for low cost and high political impact. As these groups increase in size, wealth, and scope, some move beyond asymmetric tactics and develop heavily armed militias.

U.S. POLICY

Given these threats, U.S. leaders need to become adept at identifying threatening actors and at protecting the nation's vital communications and physical infrastructure. Top priorities include protecting the nation's population and vital systems from attack and taking swift action against violent actors. Leaders must actively monitor rising tensions between rival affinity groups and should work to limit the activities of groups that directly oppose U.S. interests. To aid in these objectives, leaders partner with NGOs to promote the rule of law worldwide, quell conflict, patch gaps in governance, build functional—but limited—institutions, fight corruption, and curb illicit trade.

Key challenges for national leaders include navigating the ad hoc nature of the partnerships that foreign governments, non-state actors, and interest groups form in this world—a world in which today's allies may be tomorrow's adversaries, and vice versa. The conflicting interests of the country's partners, allies, and policymakers further challenge leaders by complicating diplomacy. Further, issues of national security and civil liberties deeply divide the American

public. Conflict over the appropriate role of the Government erupts between powerful interest groups, each representing large segments of the population, resulting in a more libertarian-style "small government" with a narrow definition of national security. The talent pool for civil and military government diminishes as the loyalty of citizens becomes divided, further challenging the ability of national leaders and public sector agencies to respond to the threats posed by this decentralized world.

APPENDIX

The NIC's Global Trends 2025 scenarios were used as a starting point for generating scenarios in the QICR process. QICR organized the scenarios around two axes of uncertainty—key players (i.e., state-dominated v. non-state dominated) and global cooperation (i.e., aligned v. fragmented). We then adapted them to bear out the range of national security implications, and thus the impact for the IC. To do this, we identified the structural forces explicit within each narrative and complemented them with additional forces gleaned from seven other world-class geostrategic scenario sets developed by public, private, U.S. and foreign sources over the past several years (See Figure 4).

Figure 6 summarizes the drivers embedded in the NIC 2025 Global Trends 2025 scenarios, the additional forces that were incorporated based on our review, and the national security implications that this adaptation allowed us to explore. The result of this effort was the QICR scenario set.
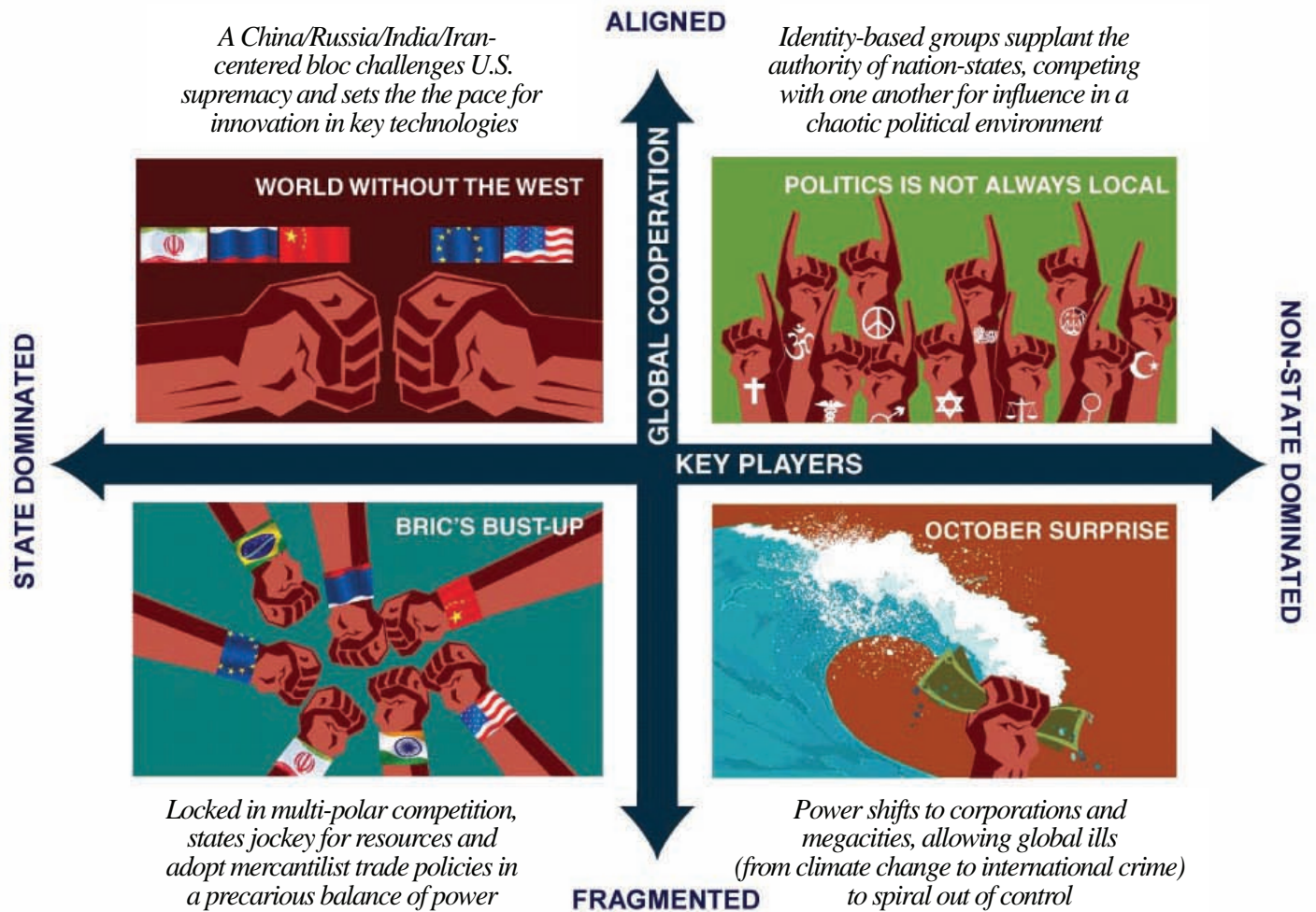
NIC 2025 Scenarios' Relationship to QICR 2009 Scenarios

NIC Drivers	Added Drivers	National Security Environment
A World without the West		
• Sino-Russian economic complementarity • Central Asian power vacuum • Traditional Western alliances • Western protectionism • Chinese perceptions of U.S./European antagonism • Balance of power impulses	• Competing political/economic/ethical models • Centralized decision-making; elite rule • Weak civil society; rule of law • Limited media • Constrained migratory flows • Demographic stories • Centers of innovation in emerging economies • Lack of respect for intellectual property • Restrictions on export of dual-use technologies • Privacy arms race • State claims to space, Arctic, etc. • Rise of radical Islamic terrorism against SCO	• Long struggle • Acute ideological struggle between great power blocs • Radical Islamic terrorism against SCO • Whither Europe? • Competition for local allies • Changing basis of competition (innovation, education, etc.) • Security of energy supply • Flows that make the US prosperous undermine its security • Adversaries with equal or better technology
BRIC's Bust-Up		
• Nationalism • Energy insecurity and competition • Intra-regional Asian military tensions • US commitment to sea lanes • US-Indian strategic alignment	• Strong rule of law; strong sovereignty • Less international crime and illicit trade • Global financial stability • Sovereign wealth funds, occasionally strategically deployed in conflicts • Nationally-centered innovation • Stymied global communications • Inefficient marketplace	• Transient and shifting alliances • Energy as flashpoint • Low risk of terrorism • Proxy struggles via finance • Significant threat of U.S. being pulled into foreign conflict • Nuclear proliferation • Conflict escalation dynamics and "red lines" become more tenuous • "Flare-ups" will include chemical/biological/cyber/unconventional warfare • Homeland security integrated with defense • No global policeman
October Surprise		
• Climate change • Tragedy of the commons • NGOs & global elites can't solve world crises • Changing middle-class priorities • Chinese social-political instability	• Strong global economic practices • Efficient marketplace • Globally integrated innovation • Strong class/income inequality • Global financial volatility • Open flow of capital, goods, labor • Widespread international crime and illicit trade • Pandemic disease spread • Interconnected global elites • Weak global political institutions • Weakness of legal privacy • Freedom of the world: partly free • Growth of jurisdictionally ambiguous spaces (JAS) • Biotech breakthroughs	• #1 Priority: Don't stop economic growth • No real conventional warfare threats • Specter of very insular, reactive impulses and responses (isolationism) • Global response vacuum • Privatization of military and security • Looming threat of domestic divisions and fighting • Wholesale new missions, agencies, and response mechanisms across the U.S. Government
Politics Is Not Always Local		
• Group identities trump nationalism • Transnational grassroots organizations gain influence • Paralyzed nation-state leadership and multilateral institutions • Rise of middle class in Russia, China, and India • Environmental disasters • Catalyzing nuclear attack	• Strong civil society • Popular rule; free media • Decline of sovereignty • Rapid, integrated global communications • Decentralized decision-making • Continued, rapid urbanization • Rise of the power of cities • Strong local identity • Immigration, assimilation pressures • New ideological movements • Influential diasporas, labor unions • Ethnic/identity militias • Disruptive, emerging technologies • Anarchic terrorism	• Transnational terrorism • Ad hoc proliferation of weapons and technology via identity groups • Blurred foreign-domestic threat paradigm • Weakened support for state militaries (conscription/public opinion) • Inability to enforce laws • "No-go" zones (urban, regional, cyber) • Transnational groups in conflict can drag states in or disrupt commerce and resource access • National security priorities are affected by NGOs and lobbyists

Figure 6

ALIGNED

A China/Russia/India/Iran-centered bloc challenges U.S. supremacy and sets the the pace for innovation in key technologies

Identity-based groups supplant the authority of nation-states, competing with one another for influence in a chaotic political environment

GLOBAL COOPERATION

WORLD WITHOUT THE WEST

POLITICS IS NOT ALWAYS LOCAL

STATE DOMINATED

NON-STATE DOMINATED

KEY PLAYERS

BRIC'S BUST-UP

OCTOBER SURPRISE

Locked in multi-polar competition, states jockey for resources and adopt mercantilist trade policies in a precarious balance of power

Power shifts to corporations and megacities, allowing global ills (from climate change to international crime) to spiral out of control

FRAGMENTED