





The Office of the Director of National Intelligence is out with its annual [forecast](#) of what the world will look like in 2050.

The report focuses on six "gamechanging" trends and events that will shape the world in the coming years.

Some we were mostly aware of— like threats to global economies from developed countries' deficits.

But many others — like the prospect of new technology and the potential for increased conflict — surprised us.

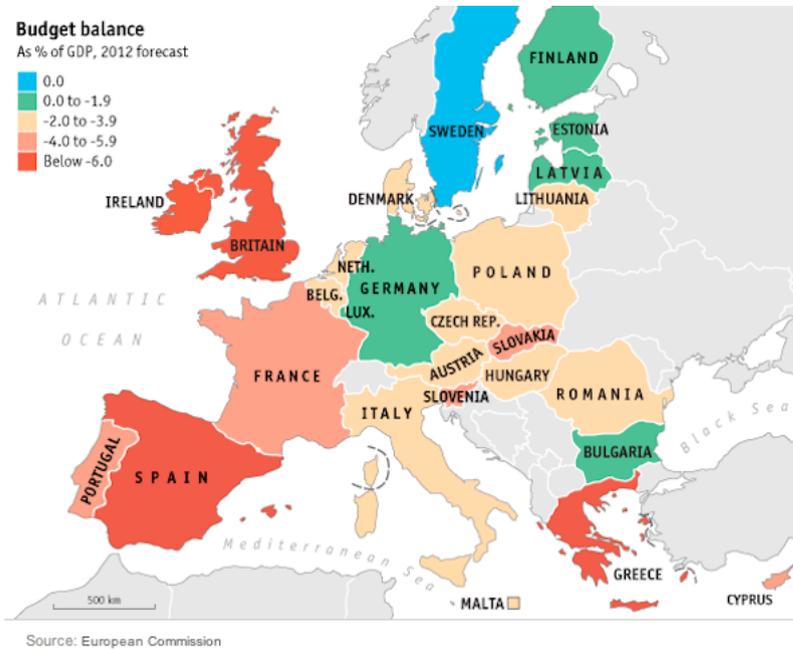
Read on to see what the world will look like.

## Gamechanger 1: The Crisis-Prone Global Economy



AP Photo/Thanassis Stavrakis

**CRISIS ECONOMY: “Drastic measures” will be necessary to curb growing fiscal liabilities in developed countries.**

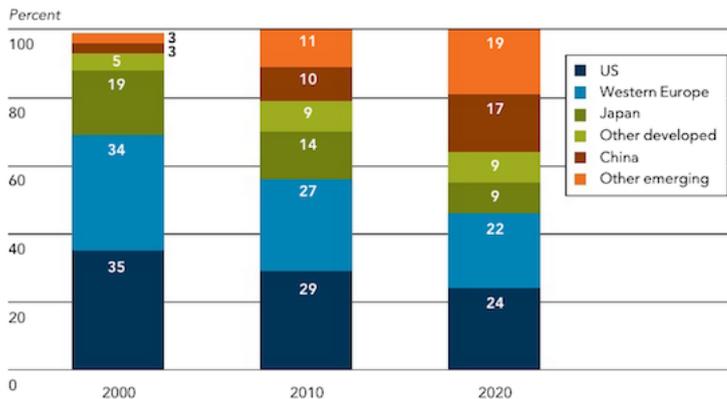


[The Economist](#)

**CRISIS ECONOMY: The global share of financial assets becomes much more evenly distributed.**

**EMERGING MARKETS' SHARE OF FINANCIAL ASSETS, 2000-2020**

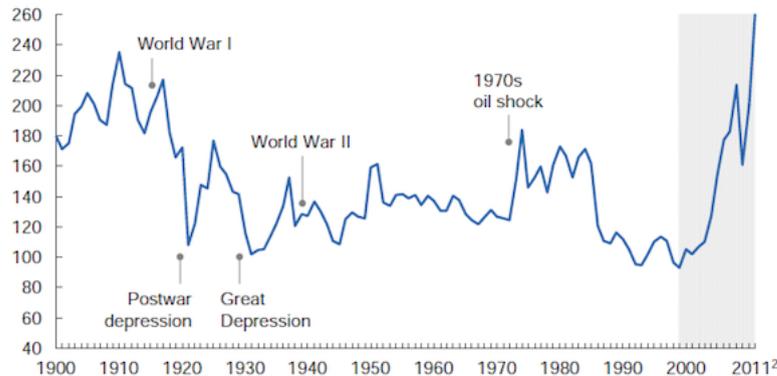
By 2020, emerging markets' share of financial assets is projected to almost double. \*



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**CRISIS ECONOMY: Commodity instability will hit China and India, who remain import dependent.**

**Exhibit 6**  
Commodity prices have increased sharply since 2000, erasing all the declines of the 20th century  
MGI Commodity Price Index (years 1999-2001 = 100)<sup>1</sup>



<sup>1</sup> See the methodology appendix for details of the MGI Commodity Price Index.  
<sup>2</sup> 2011 prices are based on average of the first eight months of 2011.  
SOURCE: Grilli and Yang; Stephan Pfaffenzeller; World Bank; International Monetary Fund (IMF); Organisation for Economic Co-operation and Development (OECD); UN Food and Agriculture Organization (FAO); UN Comtrade; McKinsey analysis

[Gulzar05](#)

## CRISIS ECONOMY: Durations of business cycles will become significantly shorter and less smooth.



[Russell.com](http://Russell.com)

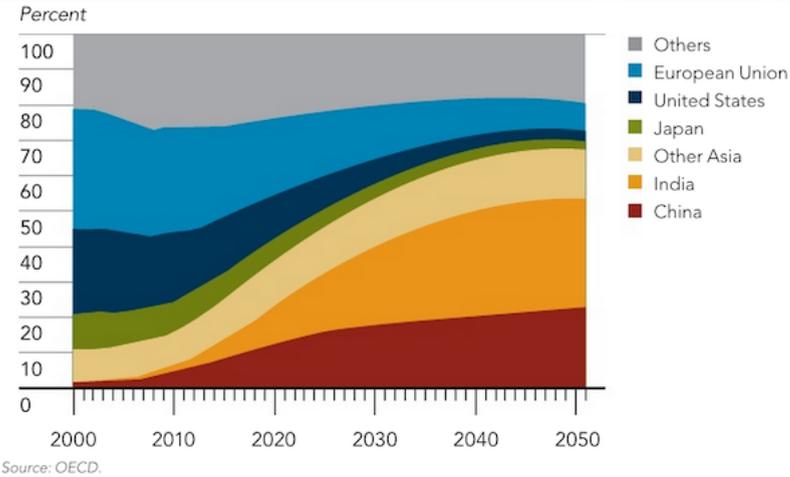
## Megatrend 2: The Governance Gap



[Wikimedia Commons](https://commons.wikimedia.org/wiki/File:United_Nations_Secretariat_Building.jpg)

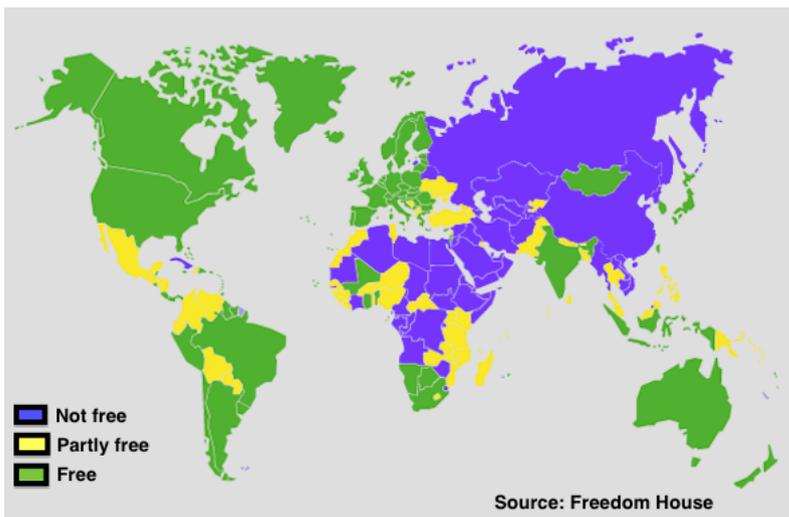
**GOVERNANCE GAP: Growing middle classes in developing countries will increase demand for rule of law and government accountability.**

**SHARES OF GLOBAL MIDDLE-CLASS CONSUMPTION, 2000-2050**



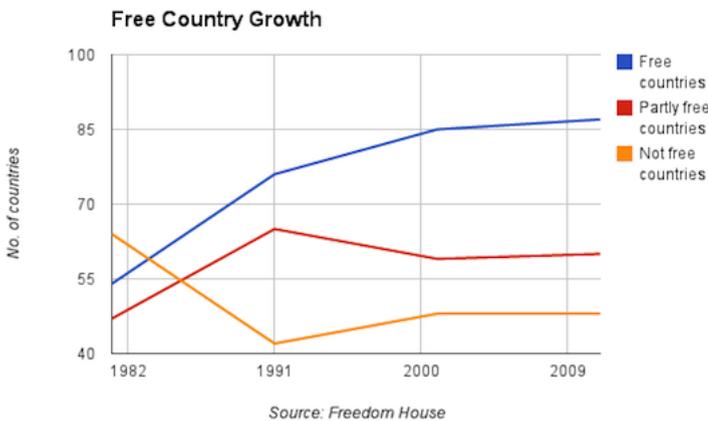
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**GOVERNANCE GAP: About 50 countries qualify as falling somewhere between "free" and "not free."**



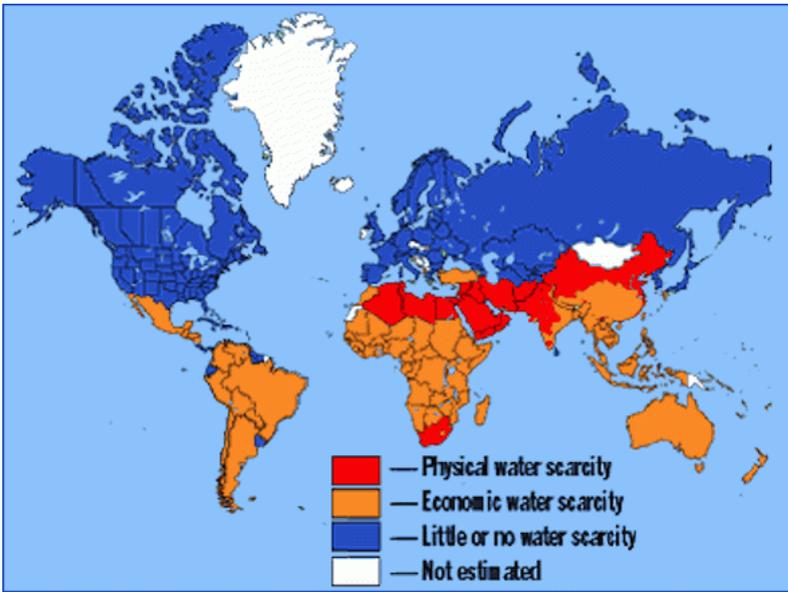
[Freedom House](#)

**GOVERNANCE GAP: And growth in the number of free countries has stalled in the past decade.**



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**GOVERNANCE GAP: Climate stress, which will exacerbate water scarcity, could actually cause some governments to collapse.**



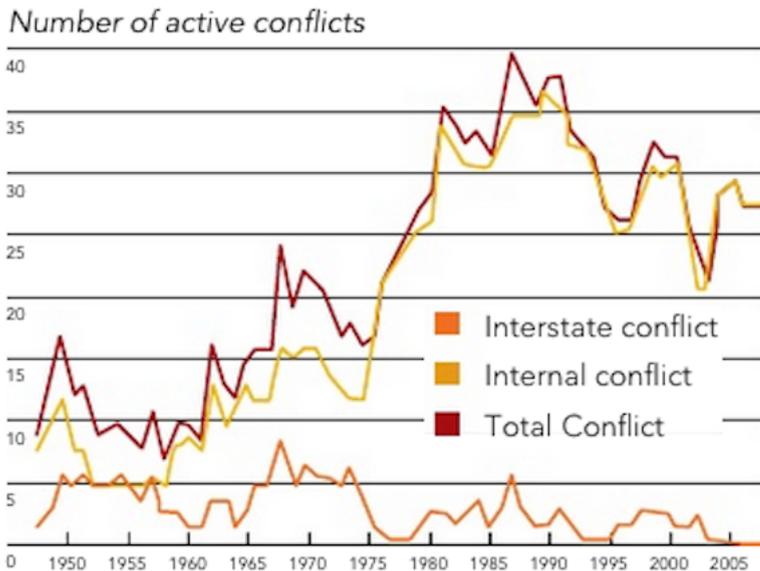
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### Gamechanger 3: Potential For Increased Conflict



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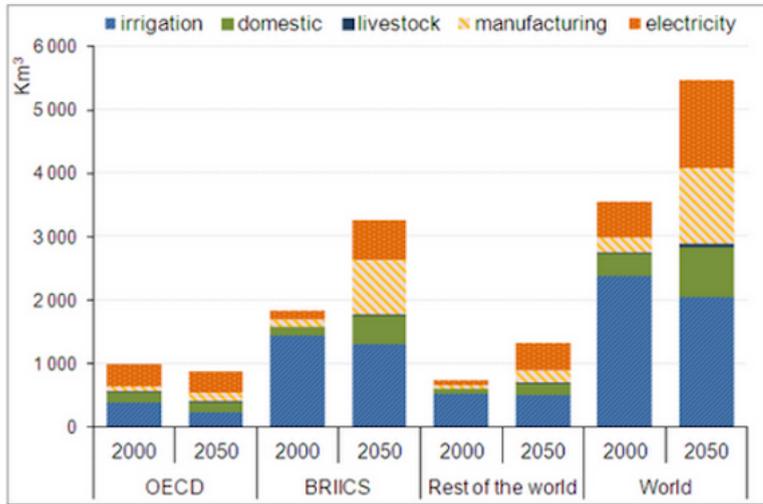
**CONFLICT:** Tensions have increased as the international system has become more fragmented and existing norms of cooperation fall out of favor.



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**CONFLICT: Resource competition will intensify.**

Global water demand: Baseline scenario, 2000 and 2050



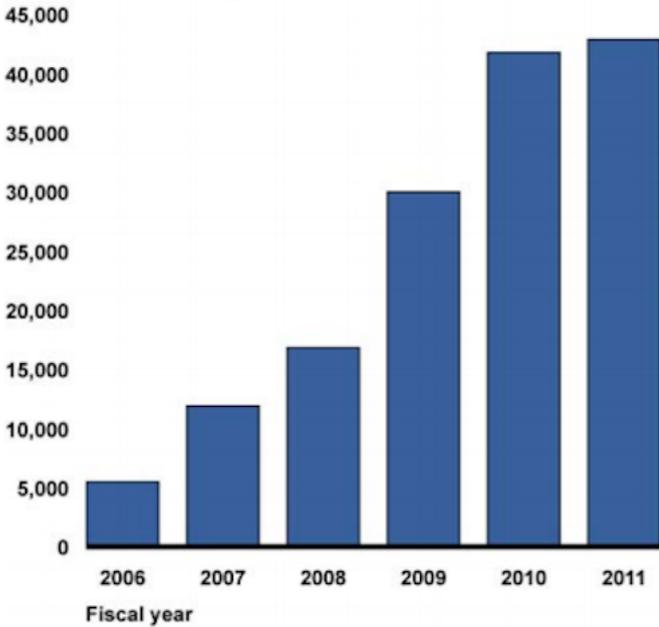
Source: OECD

[BigPictureAgriculture](#)

**CONFLICT: Cyber attacks have increased.**

Figure 2: Incidents Reported to US-CERT: Fiscal Years 2006-2011

Number of incidents reported



Source: GAO analysis of US-CERT data for fiscal years 2006-2011.

[Time/CERT](#)

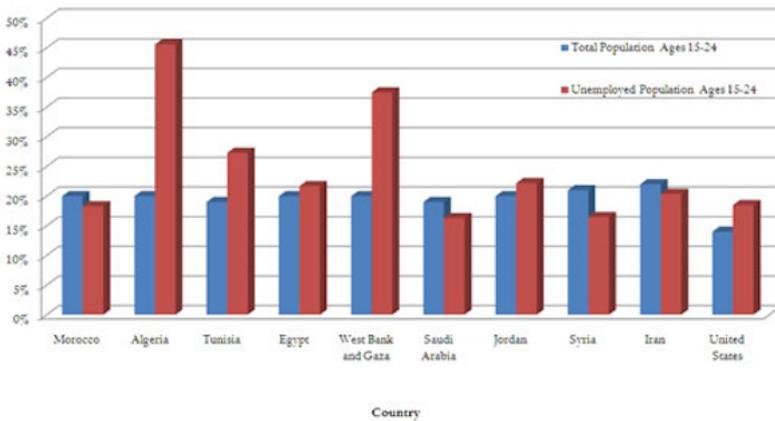
**Gamechanger 4: Wider Spread Of Regional Instability**



AP

**REGIONAL INSTABILITY: The Middle East's youth population is getting younger, and unemployment is rising.**

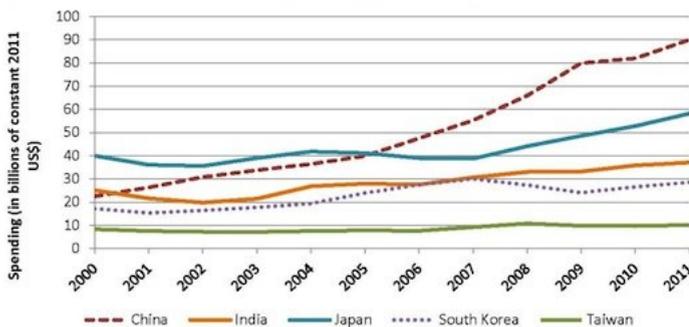
The Youth Bulge and Unemployment



[CFR](#)

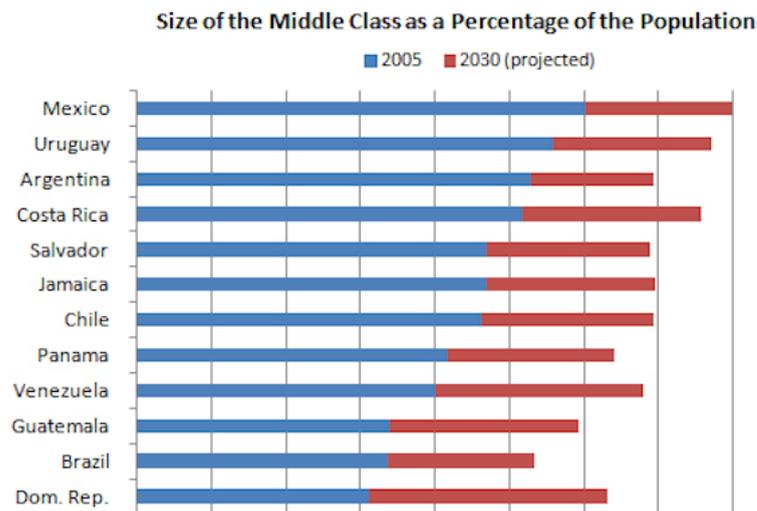
**REGIONAL INSTABILITY: Defense spending in Asia is increasing.**

Figure 1.1. Total Defense Spending by Country (2000-2011)



[Two Birds Flying Pub](#)

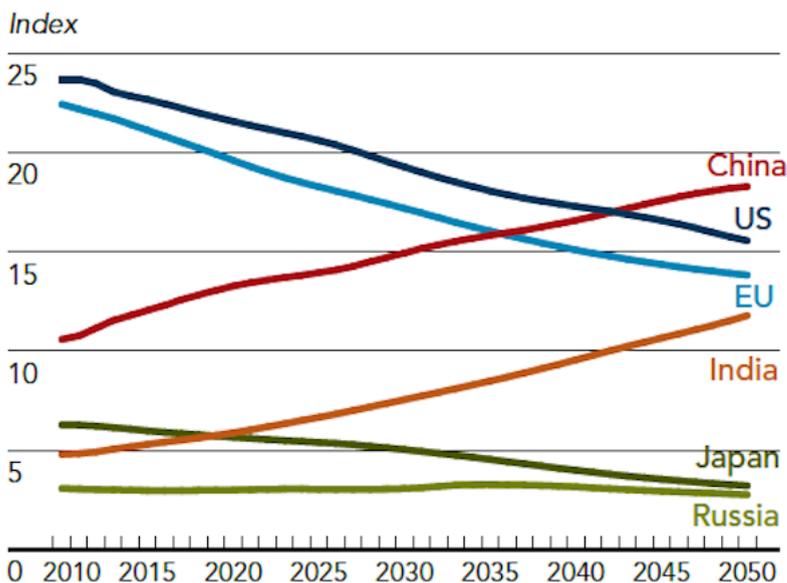
### REGIONAL INSTABILITY: Latin America's growing middle class will clash with countries' inherent populism.



[DemDigest](#)

### REGIONAL INSTABILITY: Using a new global power index, China will still surpass the US, but by 2040 instead of earlier.

New Multi-Component Global Power Index Forecast



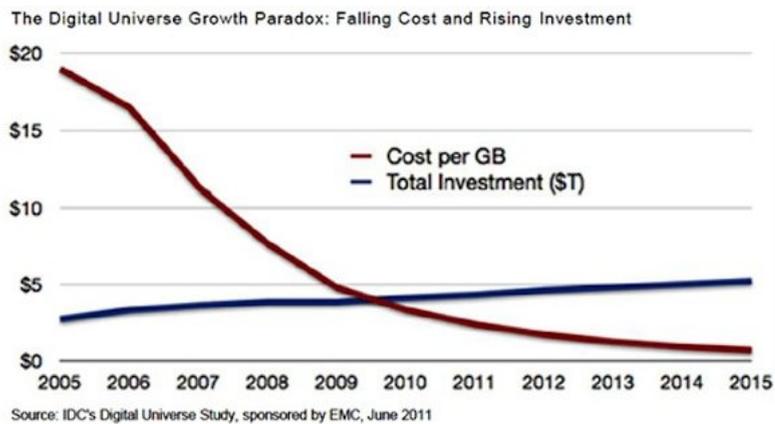
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### Gamechanger 5: The Impact Of New Technologies



[Flickr / Thomas Hawk](#)

**TECH: Three key technology areas will see wide innovation: information, the ability to store which is getting increasingly cheaper**



[WCU.edu](#)

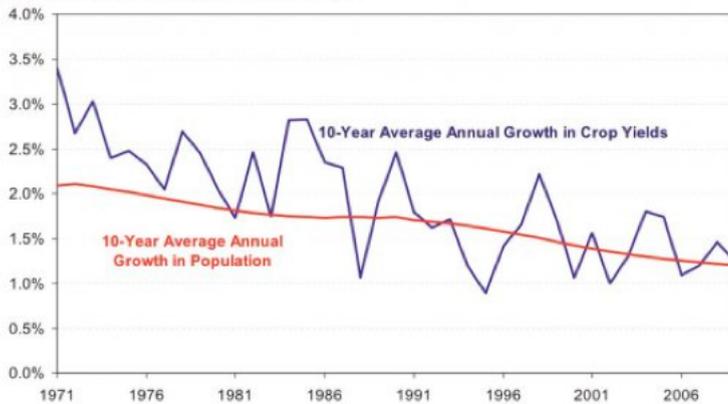
**TECH: Robotics and manufacturing, which is already affecting unit labor costs worldwide...**



[BLS](#)

**TECH: And resource technology, which will have to increase to compensate for declining crop yields.**

10-Year Average Annual Growth in Crop Yields



Source: Food and Agriculture Organization of the United Nations As of 12/31/09

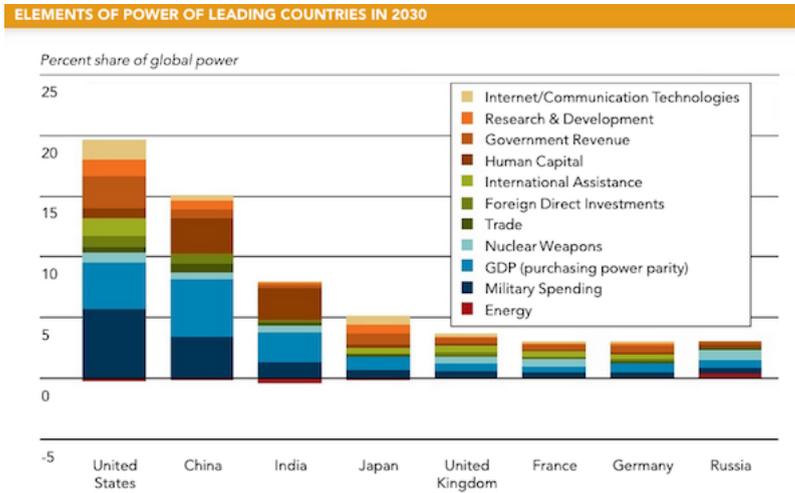
[GMO](#)

**Gamechanger 6: The Role Of The United States**



[Wikimedia Commons](#)

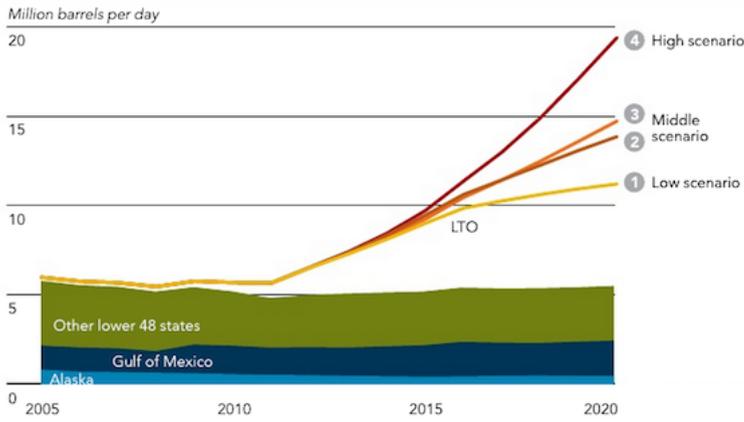
**AMERICA: For now, the U.S. continues to dominate the world in a number of areas.**



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**AMERICA: And the U.S.'s share of the oil market is only going to increase.**

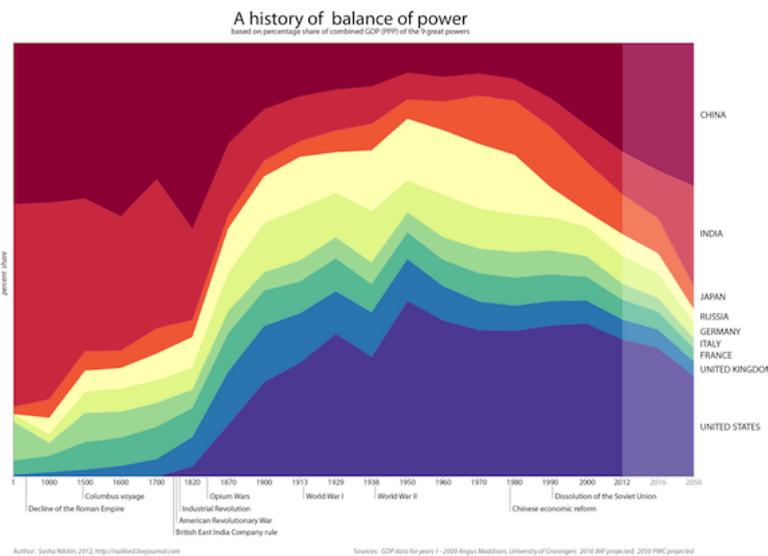
**SHALE OIL (LIGHT TIGHT OIL) US PRODUCTION ESTIMATES, 2005-2020**



Source: HFDI; EIA; team analysis for NIC.

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**AMERICA: But by 2050, China will enjoy greater purchasing power parity than the U.S.**



[Naliford](#)

**AMERICA: Our demographic prosperity window is closing fast, while others' have just opened.**

**THE DEMOGRAPHIC WINDOW OF OPPORTUNITY**

According to UN demographers, a country's demographic window of opportunity can be estimated by identifying those years in which the proportion of children (0 to 14 years of age) in the total population is less than 30 percent, and the proportion of seniors (65 years and older) is less than 15 percent.

Country	Median Age, 2010	Median Age, 2030	Demographic Window of Opportunity
Brazil	29	35	2000 to 2030
India	26	32	2015 to 2050
China	35	43	1990 to 2025
Russia	39	44	1950 to 2015
Iran	26	37	2005 to 2040
Japan	45	52	1965 to 1995
Germany	44	49	before 1950 to 1990
United Kingdom	40	42	before 1950 to 1980
United States	37	39	1970 to 2015

Window wide open ←  
Window closed ←  
Window closing ←

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