



UNITED NATIONS
UNIVERSITY
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Institute on Comparative Regional Integration Studies



Future Trends Series - GR:REEN Project

Title of the report

The World Order in 2050

Area

Economy

Reporter

Carnegie Endowment for International Peace

Type of the Reporter

Private Organisation

Periodically updated?

No

First issued year

2010

Latest update

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Official website

<http://carnegieendowment.org/>

Language available

English

Short summary

The world's economic balance of power is shifting as emerging countries rapidly overtake traditional Western powers as the predominant world economies. The recent global recession has only accelerated this trend. Starting from these acknowledgments, the Carnegie's policy outlook presents GDP projections for the world's major economies through 2050 and assesses both reasons for development/recession and the main shifts in economic power implied by the projections.

Key trends

- China remains on a path to overtake the United States as the world's largest economic power within a generation, and India will join both as a global leader by mid-century.
- "Traditional Western powers will remain the wealthiest nations in terms of per capita income", but will be overtaken as the predominant world economies by much poorer countries. Given the sheer magnitude of the challenge of lower-wage competition, protectionist pressures in advanced economies may escalate.
- "The global economic transformation will shift international relations in unpredictable ways." To retain their historic influence, European nations will be pressed to conduct foreign policy jointly, an objective

implied by their recently ratified constitution, and will need to reach out to emerging powers. Japan and Russia will seek new frameworks of alliances. The largest emerging nations may come to see each other as rivals.

- “Absolute poverty will be confined to small pockets in sub-Saharan Africa and India, though relative poverty will persist, and may even become more acute.” Carbon emissions are also on a path toward climate catastrophe, and by mid-century may constitute a serious risk to the global growth forecast.
- Those international organisations which will fail to reform their governance structures to become more representative of the new economic landscape will become marginalised.

Suggestions

- To retain its leadership position, Europe must become more cohesive as its growth slows.
- Policy makers in the main world’s capitals will have to evolve towards very different mindsets, some from superpower status to a shared leadership, others from underdevelopment to great influence. They will be called upon to acquire a more open-minded and collaborative outlook to tackle the planet’s shared problems.
- International institutions such as the International Monetary Fund (IMF) will need to evolve to adapt to the redistribution of economic power and to tackle even more complex challenges of coordination.

Methodology

Modelling

Reference to other trends reports? If yes, which reports?

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