

Changes in geopolitical power

Social, economic, political, technological and environmental trends are influencing the dynamics of geopolitical power. A uni polar world, with the USA dominant, may not persist. However, it is difficult to predict what new power dynamics will emerge because the trends can counteract as well as reinforce each other's impacts.

What we're seeing

Six factors influencing geopolitical power

Shifts in geopolitical power are being influenced by changing national fortunes, demographics, energy shifts, climate change, the war in Ukraine, and Covid. The next few decades are likely to be a period of increased geopolitical instability.

Geopolitical power moves eastward

USA's role as the dominant geopolitical power of the last 30 years is diminishing. The balance of power is shifting from the west to the east, as China strengthens economically and strategically, and US politics turns more inwards and partisan.¹ Brexit has also distracted and potentially diminished the UK and Europe's influences.²

Demographic shifts

Developed countries are facing population declines, with more people over 65. In contrast, many developing countries have more youthful populations, and are still rapidly growing. This may lead to developing countries becoming the more innovative nations.³

Energy system revolution

The move towards renewable energy sources is disrupting economies and geopolitics. New forms of competition and confrontation are likely. Oil will still be needed for decades to come, though in reduced quantities. This will likely favour the Gulf states who can produce it more cheaply and cleanly than others. Demand for natural gas may bolster Russian influence, as others cut production to reduce climate impacts. Countries and companies that control the supply chain of minerals used in clean energy technologies will also have greater geopolitical power.⁴

Climate change disruptions

Climate and other environmental impacts are likely to increasingly disrupt food production, livelihoods, and living spaces. This will lead to large scale humanitarian crises, and conflicts, that will overwhelm international institutions.⁵ The costs associated with repairing and upgrading infrastructure against climate impacts will place enormous financial burdens on governments, as well as communities. Political instability, nationally and internationally, may be the result.

The war in Ukraine

The war in Ukraine is, combined with climate impacts, contributing to a global food crisis, exacerbating pandemic-related supply chain problems, and energy transitions.⁶ The conflict is more an economic and political one than a purely military one. While NATO looks to be strengthened by Russia's invasion, there is uncertainty over what their deterrence roles and capabilities will be. The EU has shown limited ability to act collectively and consistently toward Russia. The outcome of the war and its longer term implications remain uncertain, although there are likely to be long-lasting economic disruptions. A stronger alliance between China and Russia would create significant challenges to the US and other western nations.^{7,8}

The pandemic's long shadow

The financial and economic burdens placed on most countries during the pandemic will have long term impacts on national and geopolitical power. Multilateralism also suffered. The pandemic is acting as a catalyst for existing geopolitical tensions, with some countries, like China, taking advantage of distractions to pursue strategic ambitions.⁹

Potential implications

Create

- New individual and collective opportunities emerge during significant change
- Reshaped institutions and new alliances to reflect a changing world

Relate

- Trust and openness challenged as geopolitics change

Consume

- Patterns of demand and consumption may change as supply chains evolve, or are further disrupted

Degrade

- Traditional geopolitical alliances may weaken
- Effectiveness of, & trust in, multilateral institutions may also weaken

Connect

- More migrants from non-traditional countries settle in NZ as a consequence of climate and geopolitical changes

Define

- New Zealand's leadership roles in the world
- Where do our values and our national interests align in a reshaped world?

More information (links)

¹ [Shift in the geopolitical landscape](#)

² [Global impacts of Brexit: A butterfly effect](#)

³ [Global strategic trends. The future starts today](#)

⁴ [The New geopolitics of energy](#)

⁵ [Climate change increases social-political and geopolitical risks in the medium to long term](#)

⁶ [Why a dozen countries could follow Sri Lanka into chaos](#)

⁷ [The longer-term impact of the Ukraine conflict and the growing importance of the civil side of war](#)

⁸ [The geopolitical implications of the Russian-Ukraine crisis](#)

⁹ [The geopolitical consequences of a pandemic](#)