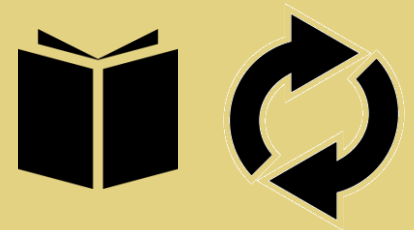




Envisioning Potential Futures

Skill Building Exercises



Sample Scenarios

Envisioning Potential Futures Sample Scenarios

This slide deck contains five example scenarios that can be used as a basis for the “Envisioning Potential Futures” exercise. Instructors can also develop their own scenario(s) based on current events or circumstances they want the Soldiers to practice thinking through.

The 5 synopses in this document reflect circumstances in 5 of the top 30 “global hotspots” identified by the Council on Foreign Relations’ Center for Preventive Action (as of summer 2015). The hotspots refer to areas of potential violent conflicts and sources of political instability that could impact U.S. interests. The Council provides three different tiers of “hotspots,” that correspond to prevention priorities. We chose to develop synopses of the Tier 3 hotspots, based on an assumption that exercise participants may have spent less time thinking and analyzing these than the Tier 1 and Tier 2 hotspots. Thus, they may stretch their thinking more.



Sample Scenario 1: Deepening Crisis in Venezuela

Deepening Crisis in Venezuela

Venezuela is in the midst of a significant economic and political crisis. Oil is the cornerstone of the Venezuelan economy, accounting for over 96% of its export earnings. Many oil-producing countries have large financial reserves to tide them through periods of sagging revenues. This is not the case for Venezuela, which was failing to make ends meet even when oil was \$115 a barrel. Dramatically lower oil prices on the international market have led to skyrocketing inflation and shortages of basic consumer goods. Venezuela's citizens face a severe shortage of food, medicine, and other basic necessities, and there is growing frustration and political unrest in the face of the country's ongoing economic problems.

Although the current President, Nicolas Maduro, was handpicked by his predecessor Hugo Chavez, he has never had popular support. Since February 2014, there have been multiple anti-government demonstrations and the government has cracked down heavily on the political opposition, responding to anti-government protests with violence. In November 2014, Human Rights Watch reported over 150 victims of violence due to opposition suppression efforts in the country.

Deepening Crisis in Venezuela (contd.)

Maduro has blamed the country's recent problems on the U.S., citing U.S. attempts to overthrow his government and to wage an "economic war" on his country. The U.S. has responded to the Venezuelan government's suppression of dissent and violence against protestors by imposing sanctions against key government officials. The Obama administration has characterized the situation in Venezuela as "an extraordinary threat to the national security and foreign policy of the United States." In response to U.S. sanctions, Maduro sought and received authority from his legislature to govern by decree until the end of the year. The Union of South American Nations (UNASUR) called on the U.S. to revoke sanctions and respect the country's sovereignty.

Soured relations between the U.S. and Venezuela are occurring against a backdrop of significant economic ties between the two countries. Currently, the United States is Venezuela's most important trading partner. Venezuela is one of the top five suppliers of foreign oil to the United States. About 500 U.S. companies are represented in Venezuela, with U.S. foreign direct investment in Venezuela concentrated largely in the petroleum, manufacturing, and finance sectors. With no sign that OPEC will alter its current supply and pricing practices, Venezuela faces an uncertain economic future and there are fears that the country may be facing default on its debt to its largest lender, China.

Deepening Crisis in Venezuela (contd.)

China has loaned Venezuela \$50 billion dollars since 2007, and made an additional \$10 billion in credit available in the spring of 2015. Whether/how long the Chinese will continue to finance the “Bolivarian revolution” is unknown. Venezuela also faces a decline in its regional stature, in part because it can no longer afford to provide significant oil subsidies to its closest ally Cuba, or to other Caribbean nations. Shifting dynamics in the region may account in part for recent changes in U.S.-Cuba relations.

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Sample Scenario 2:
Instability in West Africa, with
Potential Spillover from Mali

Instability in West Africa, with Potential Spillover from Mali

Maintaining the political and economic stability of the West African region that includes Liberia, Sierra Leone, and Guinea has been a strategic focus of the U.S. As neighboring countries, like Mali, grapple with terrorism and civil strife, preserving West Africa's political and economic infrastructure is key to moderating factors that can lead to heightened violence and extremism. In the wake of the Ebola epidemic that infected 25,000 people, West Africa has experienced a cascade of political and economic impacts. Liberia has begun to show signs of recovery, after foreign aid agencies declared the country virus-free in May 2015. Sierra Leone and Guinea are recovering more slowly. Cases of Ebola in Guinea are continuing to emerge weekly, and there are continued concerns for cross-border transmission.

In the aftermath of the epidemic, the significant toll it took on public health services, food security, and the economies of all three West African countries has become evident. Steep reductions in trade and tourism have led to shrinking economies and increasing national deficits. The cascade of social, economic, and health effects associated with the epidemic are expected to continue for years, potentially undermining efforts to improve economic development and governance in the West African region.

Instability in West Africa, with Potential Spillover from Mali (contd.)

The political and economic stability of the three West African countries is of particular concern as neighboring countries, notably Mali, struggle with terrorism and civil strife. Mali was regarded as a model of African democracy until the military seized power in March 2012 and the north fell under al-Qaeda control. Militant groups in Mali (including al-Qaeda in the Islamic Maghreb (AQIM), Ansar Dine, and the Movement for Unity and Jihad in West Africa) continue to assert territorial claims in the north as they attempt to establish a separate Islamic state. Militant groups have been gaining territory since a military coup in early 2012. The militant groups are undermining the government led by President Ibrahim Boubacar Keita since September 2013 and threaten to destabilize neighboring countries as well. French-led missions to combat the militants have driven some of their forces out of Mali, but others continue to maintain control of northern areas of the country.

Although the U.S. cut off much of its funding to Mali following the 2012 coup, it continues to provide some assistance through USAID. The U.S. has supported the French-led mission in Mali by establishing a drone base in neighboring Niger in March 2013, providing intelligence surveillance and reconnaissance to the French and other regional partners.

Instability in West Africa, with Potential Spillover from Mali (contd.)

Continued destabilization of Mali could allow the militant organizations, including AQIM, to establish a safe haven in Mali and to use it as a base from which to further destabilize the region. Identifying ways to support sustained recovery of the social, political and economic infrastructure of West Africa is a central concern for the U.S., as it seeks to avoid the spread of extremism from Mali to its neighboring states.

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Sample Scenario 3: Crisis in the Caucasus

Crisis in the Caucasus

Nagorno-Karabakh is a region located in the Southern Caucasus between Azerbaijan and Armenia. The region has been claimed by both countries. Currently, although Nagorno-Karabakh's population is 95% ethnically Armenian, it is within Azerbaijan's internationally-recognized borders. Decades of conflict between the two countries over Nagorno-Karabakh ended in a ceasefire in the early 1990's that allowed for economic investment and development of gas and oil resources in the region. However, recently there has been a marked escalation in border conflicts, with a number of civilian casualties. Russia provides a security guarantee for Armenia, where it has a military base and 4,000-5,000 troops. Azeri officials view the Western response to Russian incursions in Ukraine as tepid, part of a worrisome pattern of disengagement.

Both countries are investing in weapons and military equipment. The conflict threatens to escalate further and become a source of destabilization across the Southern Caucasus and disruption of oil and gas exports to Europe and Central Asia.

Crisis in the Caucasus (contd.)

The energy infrastructure in Azerbaijan provides the only westward route for central Asian crude that bypasses Russia and includes pipelines for natural gas that extend from Azerbaijan's capital, Baku, to southern Italy. In addition, Azerbaijan, the former Soviet Union's third-largest crude producer, has used its oil wealth to beef up its military and forge alliances with the U.S. and Israel. Azerbaijan's annual defense budget rose from \$177 million in 2003 to \$3.4 billion in 2013. Purchases include sophisticated weapons from Israel, Turkey, and Russia. Armenia is a member of a Russian-led mutual defense group that includes Belarus, Kazakhstan, Tajikistan, the Kyrgyz Republic, and Russia.

The risk of open war remains low, but the militarization of the borders and the willingness to use violence greatly increases the risk of escalation and the potential for a conflict that draws in Russia, Turkey and Iran, and further feeds turmoil in the Middle East.

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Sample Scenario 4: Sino-Indian Border Conflict

Sino-Indian Border Conflict

The 2,400-mile Line of Control was created as part of an informal ceasefire following the 1962 Sino-Indian war. It is accepted by both countries as a de facto border between India and Chinese Tibet. However, recently there have been increases in the number and scale of engagements along the disputed border between the two nations.

China has well-developed air and rail infrastructure in Tibet that support recurrent military incursions into Indian-claimed territory. In April 2013, Chinese encroachment into the Ladakh region of Kashmir prompted a three-week military standoff. Soon after his election in 2014 India's Prime Minister Narendra Modi sent a large contingent of Indian troops, numbering in the thousands into the region. Prime Minister Modi has taken a far stronger position with China than his predecessors, and has pressed Chinese President Xi Jinping to clarify the LAC during a September 2014 bilateral summit. At that summit, the Chinese offered India an estimated \$100 billion for a variety of infrastructure projects, including high-speed trains, and development of economic zones. However, Mr. Modi declined, making clear to the Chinese that India's tolerance for continued uncertainty regarding the border situation had worn thin and that any significant deal depended on resolution of the border issue.

Sino-Indian Border Conflict (contd.)

Escalation of border tensions between India and China has wider implications, playing out against the background of relationships in South Asia that involve China, India, the United States and Pakistan. Growing ties between India and the U.S. have raised Chinese concerns. China's close military and nuclear ties to Pakistan, an expanded Chinese presence in the Indian Ocean, and India's open criticism of China's Tibet policy could enhance the possibility of a militarized flare-up along the border.

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Sample Scenario 5: Refugee Crisis in SE Asia

Refugee Crisis in SE Asia

In the last few years, as part of a broader strategy to bolster U.S. position in the Pacific Rim, the U.S. government has made a number of efforts to strengthen its relations with Southeast Asian nations. In Myanmar, U.S. attempts to re-establish relations with a pro-democratic Burmese government continue to run into a number of impediments, including human rights issues that remain a wedge between the two countries. Ongoing violence by Myanmar's radical Buddhists against the ethnic Muslim Rohingya has resulted in the displacement of more than one hundred thousand Rohingya and sharply increased the level of tension with Myanmar's neighbors. Bangladesh has sealed its border with Myanmar to prevent an influx of refugees.

The flood of refugees into Thailand threatens to exacerbate political instability and economic strains within Thailand and across the region. A decade ago Thailand had the strongest economy in South East Asia, but its economy has experienced a downward spiral associated with significant economic and political impact.

Refugee Crisis in SE Asia (contd.)

Violent anti-government street protests, a coup d'état in May 2014 and ongoing martial law have contributed to a \$12 billion shortfall (U.S. dollars) in Thailand's GDP growth for 2014. The 10 provinces in Thailand which border Myanmar are populated by 6.8 million Thais, over 120,000 displaced persons in nine camps run by the United Nations High Commission on Human Rights (UNHCR), and an estimated 500,000 to 1 million registered and undocumented migrants. The precarious health of Thailand's 88-year old and deeply loved king adds to the sense of political uncertainty

Meanwhile, the refugee crises in Myanmar appear to be cascading across the region. In the first three months of 2015, UN estimates that over 25,000 migrants left Myanmar and Bangladesh on unreliable sea transportation headed for Thailand, Malaysia, and Indonesia.

Both countries have geostrategic importance in Southeast Asia and vast natural resources. Recent political and economic problems play out against the larger picture of China's recent push to establish for dominance in the region. China has staked out the South China Sea as its own, including claims to sovereignty over untapped resources that include 11 billion barrels of oil and 190 trillion cubic feet of natural gas.

Refugee Crisis in SE Asia (contd.)

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