



# INTRODUCTION

## Key Themes

**D**URING THE PAST YEAR, THE COVID-19 PANDEMIC HAS REMINDED THE WORLD OF ITS FRAGILITY AND DEMONSTRATED THE INHERENT RISKS OF HIGH LEVELS OF INTERDEPENDENCE. IN COMING YEARS AND DECADES, THE WORLD WILL FACE MORE INTENSE AND CASCADING GLOBAL CHALLENGES RANGING FROM DISEASE TO CLIMATE CHANGE TO THE DISRUPTIONS FROM NEW TECHNOLOGIES AND FINANCIAL CRISES.

These challenges will repeatedly test the resilience and adaptability of communities, states, and the international system, often exceeding the capacity of existing systems and models. This looming disequilibrium between existing and future challenges and the ability of institutions and systems to respond is likely to grow and produce greater contestation at every level.

In this more contested world, communities are increasingly fractured as people seek security with like-minded groups based on established and newly prominent identities; states of all types and in all regions are struggling to meet the needs and expectations of more connected, more urban, and more empowered populations; and the international system is more competitive—shaped in part by challenges from a rising China—and at greater risk of conflict as states and nonstate actors exploit new sources of power and erode longstanding norms and institutions that have provided some stability in past decades. These dynamics are not fixed in perpetuity, however, and we envision a variety of plausible scenarios for the world of 2040—from a democratic renaissance to a transformation in global cooperation spurred by shared tragedy—depending on how these dynamics interact and human choices along the way.

**FIVE THEMES APPEAR THROUGHOUT  
THIS REPORT AND UNDERPIN THIS  
OVERALL THESIS.**



**GLOBAL CHALLENGES**

First, shared **global challenges**—including climate change, disease, financial crises, and technology disruptions—are likely to manifest more frequently and intensely in almost every region and country. These challenges—which often lack a direct human agent or perpetrator—will produce widespread strains on states and societies as well as shocks that could be catastrophic. The ongoing COVID-19 pandemic marks the most significant, singular global disruption since World War II, with health, economic, political, and security implications that will ripple for years to come. The effects of climate change and environmental degradation are likely to exacerbate food and water insecurity for poor countries, increase migration, precipitate new health challenges, and contribute to biodiversity losses. Novel technologies will appear and diffuse faster and faster, disrupting jobs, industries, communities, the nature of power, and what it means to be human. Continued pressure for global migration—as of 2020 more than 270 million persons were living in a country to which they have migrated, 100 million more than in 2000—will strain both origin and destination countries to manage the flow and effects. These challenges will intersect and cascade, including in ways that are difficult to anticipate. National security will require not only defending against armies and arsenals but also withstanding and adapting to these shared global challenges.



**FRAGMENTATION**

Second, the difficulty of addressing these transnational challenges is compounded in part by increasing **fragmentation** within communities, states, and the international

system. Paradoxically, as the world has grown more connected through communications technology, trade, and the movement of people, that very connectivity has divided and fragmented people and countries. The hyper-connected information environment, greater urbanization, and interdependent economies mean that most aspects of daily life, including finances, health, and housing, will be more connected all the time. The Internet of Things encompassed 10 billion devices in 2018 and is projected to reach 64 billion by 2025 and possibly many trillions by 2040, all monitored in real time. In turn, this connectivity will help produce new efficiencies, conveniences, and advances in living standards. However, it will also create and exacerbate tensions at all levels, from societies divided over core values and goals to regimes that employ digital repression to control populations. As these connections deepen and spread, they are likely to grow increasingly fragmented along national, cultural, or political preferences. In addition, people are likely to gravitate to information silos of people who share similar views, reinforcing beliefs and understanding of the truth. Meanwhile, globalization is likely to endure but transform as economic and production networks shift and diversify. All together, these forces portend a world that is both inextricably bound by connectivity and fragmenting in different directions.



**DISEQUILIBRIUM**

The scale of transnational challenges, and the emerging implications of fragmentation, are exceeding the capacity of existing systems and structures, highlighting the third theme: **disequilibrium**. There is an increasing mismatch at all levels between challenges and needs with the systems and organizations to deal with them. The international system—including the organizations, alliances, rules, and norms—is poorly set up to address the compounding global challenges facing populations.

The COVID-19 pandemic has provided a stark example of the weaknesses in international coordination on health crises and the mismatch between existing institutions, funding levels, and future health challenges. Within states and societies, there is likely to be a persistent and growing gap between what people demand and what governments and corporations can deliver. From Beirut to Bogota to Brussels, people are increasingly taking to the streets to express their dissatisfaction with governments' ability to meet a wide range of needs, agendas, and expectations. As a result of these disequilibriums, old orders—from institutions to norms to types of governance—are strained and in some cases, eroding. And actors at every level are struggling to agree on new models for how to structure civilization.



### CONTESTATION

A key consequence of greater imbalance is greater **contestation** within communities, states, and the international community. This encompasses rising tensions, division, and competition in societies, states, and at the international level. Many societies are increasingly divided among identity affiliations and at risk of greater fracturing. Relationships between societies and governments will be under persistent strain as states struggle to meet rising demands from populations. As a result, politics within states are likely to grow more volatile and contentious, and no region, ideology, or governance system seems immune or to have the answers. At the international level, the geopolitical environment will be more competitive—shaped by China's challenge to the United States and Western-led international system. Major powers are jockeying to establish and exploit new rules of the road.

This contestation is playing out across domains from information and the media to trade and technological innovations.



### ADAPTATION

Finally, **adaptation** will be both an imperative and a key source of advantage for all actors in this world. Climate change, for example, will force almost all states and societies to adapt to a warmer planet. Some measures are as inexpensive and simple as restoring mangrove forests or increasing rainwater storage; others are as complex as building massive sea walls and planning for the relocation of large populations. Demographic shifts will also require widespread adaptation. Countries with highly aged populations like China, Japan, and South Korea, as well as Europe, will face constraints on economic growth in the absence of adaptive strategies, such as automation and increased immigration. Technology will be a key avenue for gaining advantages through adaptation. For example, countries that are able to harness productivity boosts from artificial intelligence (AI) will have expanded economic opportunities that could allow governments to deliver more services, reduce national debt, finance some of the costs of an aging population, and help some emerging countries avoid the middle-income trap. The benefits from technology like AI will be unevenly distributed within and between states, and more broadly, adaptation is likely to reveal and exacerbate inequalities. The most effective states are likely to be those that can build societal consensus and trust toward collective action on adaptation and harness the relative expertise, capabilities, and relationships of nonstate actors to complement state capacity.