

# STRENGTHENING RESILIENCE IN A NEW GLOBAL RISKS CONTEXT

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# MarshMcLennan

The world's leading professional services firm in risk, strategy and people

**Staff:** 85,000

**Clients:** >130 countries

**Annualized revenues:** US\$ 20.7 BN (2022)

**New York Stock Exchange:** MMC

**Age:** 152 years

## Marsh

Insurance broker and risk advisor

## GuyCarpenter

Risk and reinsurance specialist

## OliverWyman

Management, economic and brand strategy consulting

## Mercer

Talent, health, retirement and investment consulting

# In today's presentation...

1

Sources and  
drivers of  
global risk

2

Evolving  
response  
paradigms

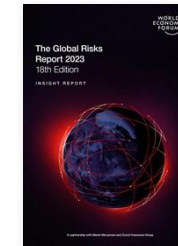
3

National  
resilience  
innovations

4

Corporate  
resilience  
developments

# Near-term global risks environment



## Outlook



Persistent crises leading to catastrophic outcomes



Consistently volatile landscape leading to divergent trajectories



Slightly volatile with occasional localized surprises



Limited volatility with relative stability



Renewed stability with a revival of global resilience

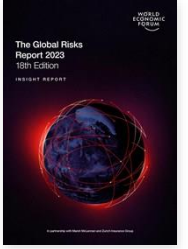
Source: World Economic Forum

## Top concerns

- 1 Cost-of-living crisis
- 2 Natural disasters and extreme weather events
- 3 Geoeconomic confrontation
- 4 Failure to mitigate climate change
- 5 Erosion of social cohesion
- 6 Large-scale environmental damage incidents
- 7 Failure of climate-change adaption
- 8 Widespread cybercrime and cyber insecurity
- 9 Natural resource crises
- 10 Large-scale involuntary migration

Economic Environmental Geopolitical Societal Technological

# Longer-term global risks environment



## Outlook

**20%**  
Persistent crises leading to catastrophic outcomes

**34%**  
Consistently volatile landscape leading to divergent trajectories

**26%**  
Slightly volatile with occasional localized surprises

**11%**  
Limited volatility with relative stability

**9%**  
Renewed stability with a revival of global resilience

Source: World Economic Forum

## Top concerns

- 1 Failure to mitigate climate change
- 2 Failure of climate-change adaption
- 3 Natural disasters and extreme weather events
- 4 Biodiversity loss and ecosystem collapse
- 5 Large-scale involuntary migration
- 6 Natural resource crises
- 7 Erosion of social cohesion
- 8 Widespread cybercrime and cyber insecurity
- 9 Goeconomic confrontation
- 10 Large-scale environmental damage incidents

Economic Environmental Geopolitical Societal Technological



# From permacrisis to polycrises?



# Starting points for the new risk landscape

## Contest for the future world order

- New economic and security alliances and pacts
  - NATO and EU enlargement
  - Pacific agreements
  - Middle East and Africa ties
  - BRICS and G20
- Aspirations for non-alignment and multi-alignment – strategic transactionalism
- Rising economic protectionism
  - Incentives
  - Controls and constraints

## Increased state fragility

- Baseline post-COVID economic weakness in many countries
- Struggling infrastructure and overstretched public services
- Entrenched polarization exacerbating populist decision-making
- Political governance failures – rule of law, corruption, civil rights concerns
- Political violence – coups, insurgencies, war, and civil war
- Increased space for criminal endeavour – cyber, trafficking, economic crime

# Key secular destabilisers

## Contest for the future world order

### Climate change

- Disunity on decarbonisation commitments
- Shortfall in contributions to low-income countries
- Resource security challenges – water, food, energy, minerals

### Technological advances

- Efforts to hold back the development of rivals and dominate markets
- Enhanced scope for foreign interference and mis/disinformation
- Difficulties in aligning on AI regulation and declining cooperation in space

## Increased state fragility

- Greater and repeated impacts on communities
- Vulnerabilities of critical infrastructure systems
- Challenges to strategic sourcing and supply chains

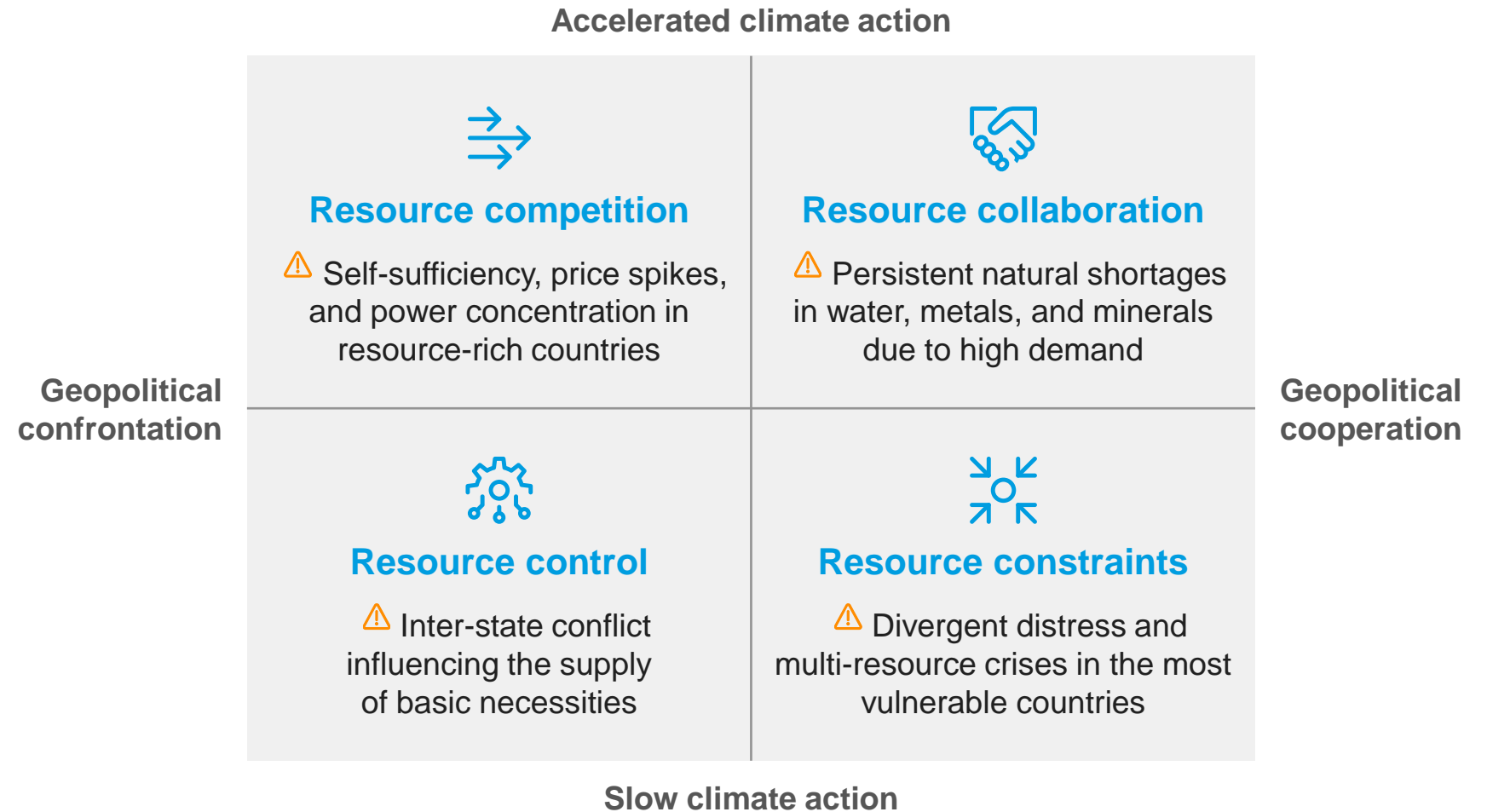
- Increased scope for cyber and other security threats
- Exacerbation of societal divisiveness
- Facilitation of the illicit economy
- Enhanced dependency on big tech companies



# Resource rivalries

## Four possible futures for 2030

Source: World Economic Forum



# Top concerns of business executives in the Baltic states

## Estonia

- 1 Economic downturn
- 2 Interstate armed conflict
- 3 Inflation
- 4 Labour and / or talent shortage
- 5 Energy supply shortage

## Latvia

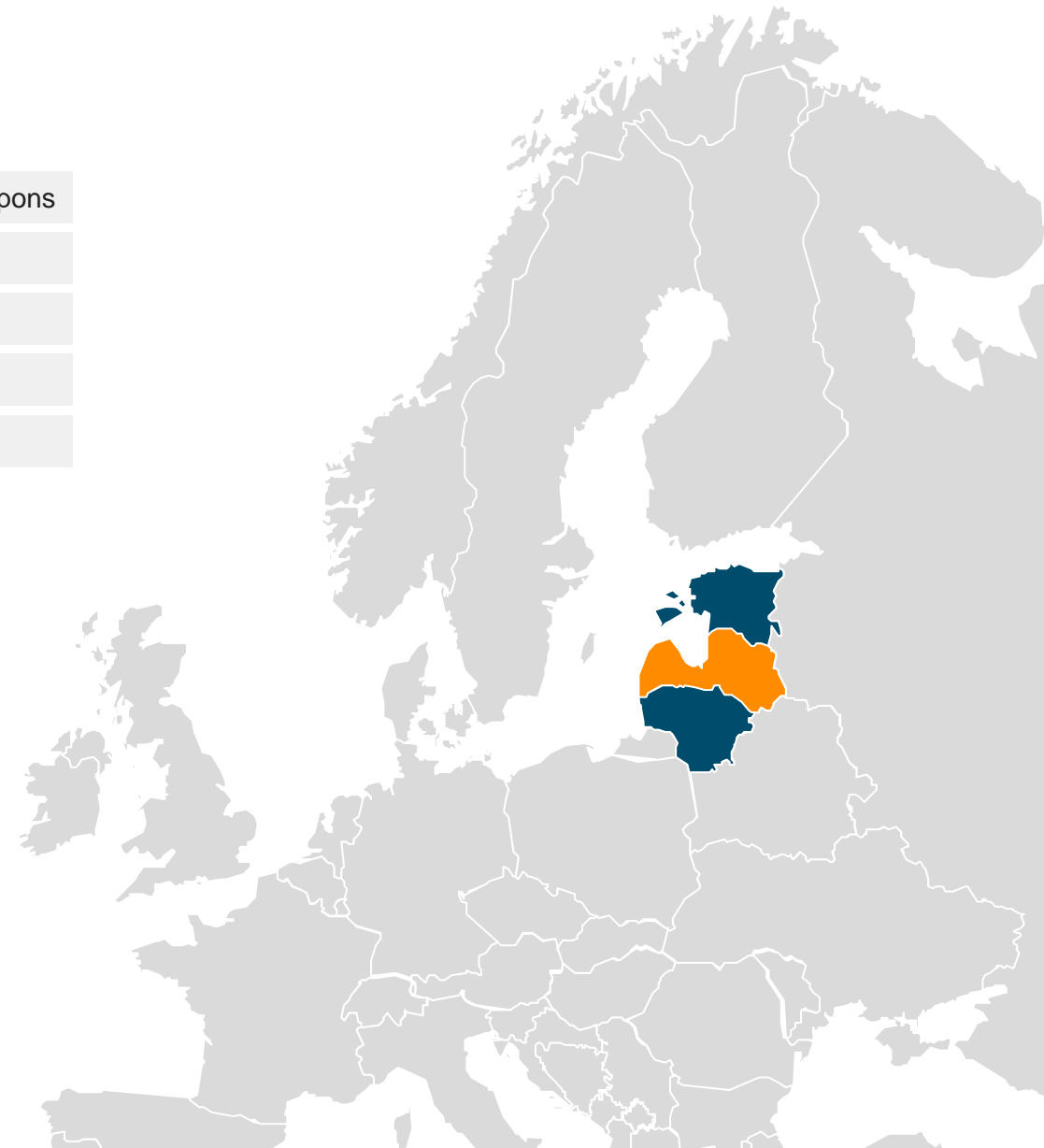
- 1 Accidental or deliberate use of CBRN weapons
- 2 Failure of climate change mitigation
- 3 Pollution (air, water, soil)
- 4 Terrorism
- 5 State fragility / public service failure

## Lithuania

- 1 Economic downturn
- 2 Interstate armed conflict
- 3 Inflation
- 4 Labour and/or talent shortage
- 5 Accidental or deliberate use of CBRN weapons

■ Economic ■ Environmental ■ Geopolitical ■ Societal ■ Technological

Source: World Economic Forum



# Evolving national response paradigms

## Security

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International pacts and alliances

AI regulation and legislation on disinformation and interference

Cyber resilience obligations on key firms

Defence procurement and innovation

## Geoeconomic

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Expanded sanctions programmes

Market access and investment constraints

New industrial policies – incentives

Sourcing and supply chain consolidation

## Resilience

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Production mandates and strategic stockpiles

Resilience standards and planning system requirements

Community-level resilience investments

Government backstops for major losses

# New ambitions for national resilience



## Strengthen public-private interactions

- How can governments better mobilise private-sector finance, physical assets, workforce, capabilities, and innovation?
- Key issues:
  - Breadth of the agenda and forward thinking
  - Clarity about responsibilities, and the allocation of risks and costs
  - Levers – Government as director, customer, stimulator, facilitator, cheerleader



## Assess progress and performance

- How well organised are we as a nation? Are capital and effort deployed effectively? Are we doing enough?
- Key issues:
  - Powers and governance within government
  - Assets and capabilities that can be drawn upon
  - Coordination and mobilisation of resources

Icons are hyperlinked to the reports.

# New requirements for corporate resilience

**Readiness**

**Preparedness**





We are leaders in risk, strategy and people. One company, with four global businesses, united by a shared purpose to make a difference in the moments that matter.

**Marsh GuyCarpenter Mercer OliverWyman**