

Abstract

Risk, Resilience, and Innovation: Big Shifts and Discontinuities

Two “big shifts” that will help define the next decade will be the “great rebalancing” of economic activity and wealth creation to the developing world – in particular, China, India, and other Asian economies – and the profound “productivity challenge” developed economies must overcome to maintain their standards of living. Both of these shifts will force organizations – public, private, and nonprofit sector – to adapt. We offer four high-level scenarios for the potential shape of the global distribution of economic power in the coming decade – which help show the huge stakes for individual countries and the world as a whole, and that specific outcomes are not inevitable. Living in a multispeed world -- as different countries and regions grow at different rates -- we will likely see increased volatility and uncertainty. Managing such uncertainty will be a defining challenge of this era. This presentation draws primarily upon proprietary and published research during the last 2 years of the McKinsey Global Institute, McKinsey’s Strategy Practice, and its Center for Managing Uncertainty.