

RISK REPORT 360:

THE DECLINE OF A WORLD ORDER THE RISE OF A LEADERSHIP ORDER?

PERFORMING LEADERSHIP
UNDER EXTREME CIRCUMSTANCES

"This is a very strong and sharp analysis that in a condensed form presents a balanced presentation of the four risks that can change our history"

- Professor
Poul Fritz Kjær,
CBS

"The mapping of how major risks connect and reinforce each other is very important – and explains clearly the need for reinventing leadership. The message of the report should be spread to a broad audience"

– Professor
Michael Bang Petersen,
University of Aarhus

"An important report that convincingly pinpoints the challenges we need to solve. It raises fundamental questions about what kind of leadership we must develop – and what role business universities have to play. The report confirms the urgency"

– Professor
Thomas Ritter,
CBS

"Leadership is important like never before. This convincing analysis makes the need for action on all levels painfully clear. Read it to get a deeper understanding of the troubling times we are navigating, and the responsibility we share to address it."

– Professor & Vice Dean,
Kristian Lauta,
University of Copenhagen

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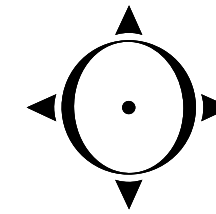
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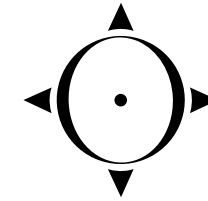
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INTRODUCTION

TRACING

A NEW ORDER...



When is a crisis a symptom or a cause? The question is interesting in times when a geopolitical crisis threatens to break up a Western alliance with far-reaching consequences. As this report highlights, the current conflict should be perceived as a symptom - on two levels. First, it is a crucial piece of a larger puzzle, interconnected with other critical risks that, together, are reshaping and challenging our civilization. Second, the root cause lies in years of failed governance and leadership.

It may seem simple, and there are likely corresponding causes, but it is clear that European political leaders have responded too slowly and too fragmented in the lead-up to the current conflict - one that has been brewing for years. Issues like climate change, among others, could be added to the mix. However, the failure in governance and leadership extends beyond politics; it reflects a broader issue that is accelerating in parallel with the growing complexity of global challenges.

It raises crucial questions about the capability and efficiency of the existing leadership models - and to what extent they are equipped to handle the kind of risks and crises we will face in the years ahead.

This report begins by identifying four major risks that leaders must address both now and in the near future. These risks appear to stem from delayed governance and leadership decisions, resulting in challenges of unprecedented magnitude and complexity. The stakes are high - our civilization depends on it.

But how can we restore and revitalize a broken governance system while renewing leadership capacities? There are no simple answers, but the first step is acknowledging the problem - only then can we begin to address it. The goal of this report is to inspire and foster dialogue on a potential path forward. Risk Report 360 concludes by exploring how Denmark could serve as a case study for a new leadership approach - demonstrating how a declining world order might pave the way for a renewed model of leadership.

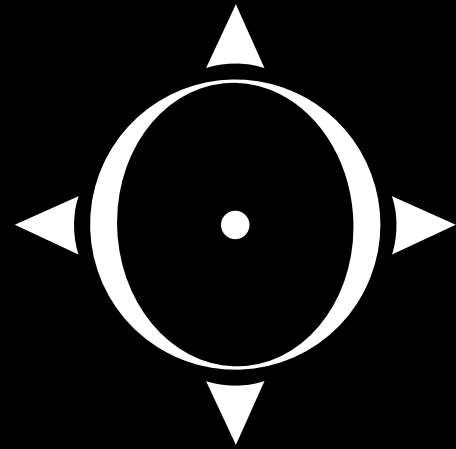
The report adopts an EU and Western perspective, as our nation is part of a region directly affected by the pressures of the four Wicked Risks.

"Risk Report 360" has been prepared by Navigating 360 and written for CBS and CBS Executive Fonden. It benefits from valuable and inspiring input from an outstanding panel of scholars from Navigating 360 and CBS, who have served as an advisory editorial board. The report is also based on the work of the CBS Leadership Think Tank 'Leadership for the Future'.

Erik Rasmussen

Editor and founder of Navigating 360

NAVIGATING
360



SUMMARY

What is **the biggest risk** we face today?

- An accelerating, ungoverned and unstoppable climate crisis and a multiplier of devastating side-effects that without doubt will change life on earth and challenge our civilization - and where the outcome solely depends on actions we take today and the next few years. It is already threatening Europe's infrastructure, ecosystems, food security and public health.
- A heated geopolitical crisis that threatens to break up a global geopolitical order and a transatlantic alliance that since World War 2 has guaranteed the security of Europe, - and where our closest ally (US) may now align with our strongest enemy (Russia).. Even though the broader perspective remains uncertain, we must prepare for the potential collapse of the orders and regulations that have long been the fundamental pillars of the Western world.
- An uncontrolled AI revolution is unfolding at an unprecedented speed, reshaping our societies for better or worse. While it offers solutions to complex problems, it also outpaces legislation, challenges democracy, transforms leadership, becomes a pivotal weapon in geopolitical conflicts, and accelerates the spread of misinformation and disinformation. And we can't stop it.
- An information collapse makes it difficult to know what to believe in, who to trust and how to make reliable decisions. A dangerous combination of polarized publics, disinformation and misinformation, advanced AI-technologies, conspiracy theories, tech giants monopolising the distribution of news is destroying public discourse and undermining democratic processes. Instead, we risk an outbreak of an information warfare with a frontline drawn between US tech giants and a new European information infrastructure.

The reality is: The four risks represent a "Wicked Circle of Risks", a deeply interconnected system that cannot be broken down into separate parts. Each risk reinforces the others, accelerating the cycle at an alarming rate. The true challenge lies in their interdependence: prioritizing one risk inevitably strengthens the remaining three, further intensifying the spiral.

When we, for obvious reasons, invest most of our political and economic capital in tackling an upscaled geopolitical crisis and downgrading others, such as climate change, we are only heading for even more dangerous threats in the years to come..

PIECES OF A PUZZLE

It might be impossible to draw conclusions in the midst of a chaotic situation, but seen from a wider perspective, one answer seems to resonate: In spite of the dramatic consequences of the geopolitical drama, it is just one piece of a much larger puzzle – as exemplified in the “The Wicked Circle of Risks”. Piece by piece, we are heading towards a breakdown of a Western order and civilization. What we are witnessing right now might change our history for generations.

If the US shifts its alignment towards Russia and distances itself from Europe, the 27 politically diverse and fragmented European nations would become the last stronghold of the Western hemisphere. This scenario presents profound dilemmas and difficult choices with highly uncertain outcomes. However, the recent agreements to restore military and security capabilities across Europe could serve as a crucial example of how new governance models might emerge in response to these challenges.

The events taking place around us justify why they should be viewed in a much wider context. The Wicked Risks are not coincidental. Rather, they are interconnected parts of a dramatic story and should be understood as such. The biggest news about the future of the Western civilization has happened, but has not yet been discovered. Or so it seems. However, a thorough reading of the many and well-documented reports, analyses and scientific studies published in the last decade contribute important parts to the puzzle. They have year by year issued strong warnings of a very turbulent future.

“Risk Report 360” is inspired by that reading. While it does not claim to capture the full picture – far from it – clear patterns emerge, raising critical questions about when and how we began preparing for the current crisis. The increasing likelihood of a radically transformed world order compels countries, institutions, and industries to assess the impact of these dramatic shifts – how significant they will be and when they will unfold.

But the well-known phrase of not wasting a good crisis could be applied here. A possible and positive outcome could be the rise of a new leadership order – that the risk revolutionizes and innovates leadership on all levels in society. It seems obvious that solving the crisis ahead calls for joint efforts and interconnected relations of a new scale.

A NEW ORDER OF LEADERSHIP

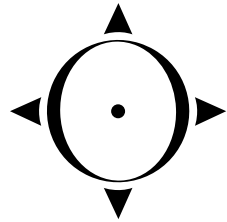
The possibility of creating a new global order of leadership may seem like an ambitious goal, especially in light of the current crises. However, what if business leaders took the first steps? By forming a powerful economic, social, and technological alliance, they could significantly influence the outcome of geopolitical conflicts. These outcomes, in turn, would shape their business options, offering a compelling incentive to demonstrate the true power and impact of leadership.

The report concludes by drafting a “New Order of Business Leadership”. The combined consequences of the risks will challenge leadership on all levels in society, but the question is how to respond. Leadership is performed very differently in different sectors – pursuing different goals. But the threats ahead call for unified answers. None of the risks can be solved by any sector and any business by itself, but requires a systemic approach. We need to innovate a new leadership structure that joins competencies around clear, defined goals. It is a complex mission, but could be a fundamental condition for handling a completely different reality.

The business community must consider its role and responsibility under these new and fundamentally changed circumstances. It looks to be one of the biggest challenges for business leaders ever. It is not just a case of developing new skills, competencies and organisations, but of forming a new mindset – a mindset that expands the responsibility and the purpose of business and, in doing so, strengthens its impact on building resilient societies.

The “new order of business leadership” is one way to approach the challenge. While it doesn’t provide all the answers – far from it – it emphasizes the need for consolidated partnerships between complementary sectors, both private and public. This shared leadership model could be a crucial solution to tackling increasingly complex and accelerating risks. In any case, the threats we face now, and particularly in the near future, demand visions and ambitions on an unprecedented scale.

“Risk Report 360” exemplifies how Denmark is placed to handle that challenge. The idea is to develop a plan for establishing a partite effort, connecting politics, business and academia in a joint leadership for mitigating the Wicked Risks. The project is inspired by the Danish “grønne trepartsaftale”, set up to solve climate issues.



CHAPTER 1:

A LOST DECADE

The possible breakdown of a world order is an ongoing process that has unravelled over the course of several years, and where tangible signs might be hard to identify and decode. "Risk Report 360" has identified two events as pieces of a puzzle that disclose the beginnings of the breakup.

Ten years ago, global society was united around a growing concern for a sustainable future and the impact of climate change, and decided to launch two ambitious initiatives to prepare for a stable, prosperous and sustainable future for all people.

- **The global goals:** The agreement on the 17 sustainable global goals in 2015 would ensure a sustainable and peaceful future for mankind before 2030. It generated a wide global interest for pursuing the goals, led by UN Global Compact and supported by political and business leaders worldwide.
- **The Paris Accord:** The much-featured Paris agreement in 2015 was designed to keep the global temperature rise under 1.5-2 degrees by the end of the century.

None of the missions succeeded: With only five years remaining to implement the Sustainable Development Goals, the world is on track to achieve only 17 per cent of targets. And the Paris Accord has also failed: In 2024, the temperature rose to 1.6 degrees and made the year the hottest ever on record – and according to climate science, we are heading towards a 3- degree rise in this century.

Today – in 2025 – we face a dramatically changed future. Instead of a sustainable and peaceful future, we are witnessing a breakdown of a world order – and a road to 2035 that looks set to be the most turbulent and unpredictable since World War 2. Now we have to wise up to the fact that we have squandered a decade of potential progress and turned it into a period of dramatic conflicts, bloody wars and deeply divided power centers. This is not solely the result of the two failed missions, for they are merely symptoms of a growing global disorder driven by a complex set of conflicts and the rise of new political movements in the Western hemisphere – ones with a clear right-wing and autocratic bias.

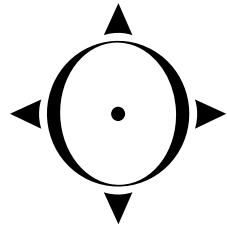
What went wrong? How could we all fail to such an extent? What and who to blame? And how can we alter the prospects for 2035? What are the lessons learned from the past ten years – if any? These are key questions that need answers, if we are to turn the tide and make up for failed goals, promises, and ambitions.

FAILED GOVERNANCE

Several years ago, the Global Risk Report from the World Economic Forum rated failed governance as a major risk and a barrier for tackling still more complex risks. Looking back on the past ten years it might be a credible explanation. It seems that the governance and leadership we envisioned ten years ago have passed critical tipping points, becoming trapped long before they could deliver the planned breakthroughs. While it may be tempting to place the blame solely on political leadership, that would not present the full picture. The past decade tells a story of pursuing short-sighted goals driven by political, economic, or business considerations, rather than a broader, long-term vision.

For too long, we ignored the many signs and warnings highlighted in reports, studies, and analyses, all pointing to the world's risky trajectory. This is why the past decade stands as a story of failed governance and leadership – it failed to respond swiftly and adequately to prevent potential crises from escalating, despite ongoing warnings.

Now we must pay the price by facing the consequences of much larger, far more complicated and interconnected risks developing at still higher speed – challenging governance and leadership with an unseen urgency and the survival of a Western order.



CHAPTER 2:

THE NEW REALITY

The answer to the failures of the past decade is complex, yet fundamentally logical. It has been outlined in numerous reports and studies over the last few years, though not always presented within a broader context. What complicates matters further is that the risks are constantly evolving. This report has identified and prioritized four major risks, which together form a single, closely interconnected threat and disruptor: the *“Wicked Circle of Risks”* - combining climate change acceleration, geopolitical breakdown, uncontrolled AI Revolution and information collapse. They have to be addressed simultaneously, or the circle will speed up and leave the world in a state of chronic chaos.

The dire consequences of the wicked circles are spelled out in four separate chapters. They confirm how the current geopolitical crisis threatens to escalate all the risks and surpass the tipping points where leadership becomes more about adaptation than mitigation.

THE ACCELERATORS OF RISKS

The four risks are accelerated by five driving forces:

- The magnitude of each risk: Challenging basic living circumstances
- The interconnectivity: Reinforcing each other and building a still stronger impact
- The complexity: Forming new and ever-changing patterns
- The speed: Accelerating with a still higher frequency
- The uncertainty: Difficult to predict, prepare for future shocks

Figure 1: **The wicked Circle of Risks**

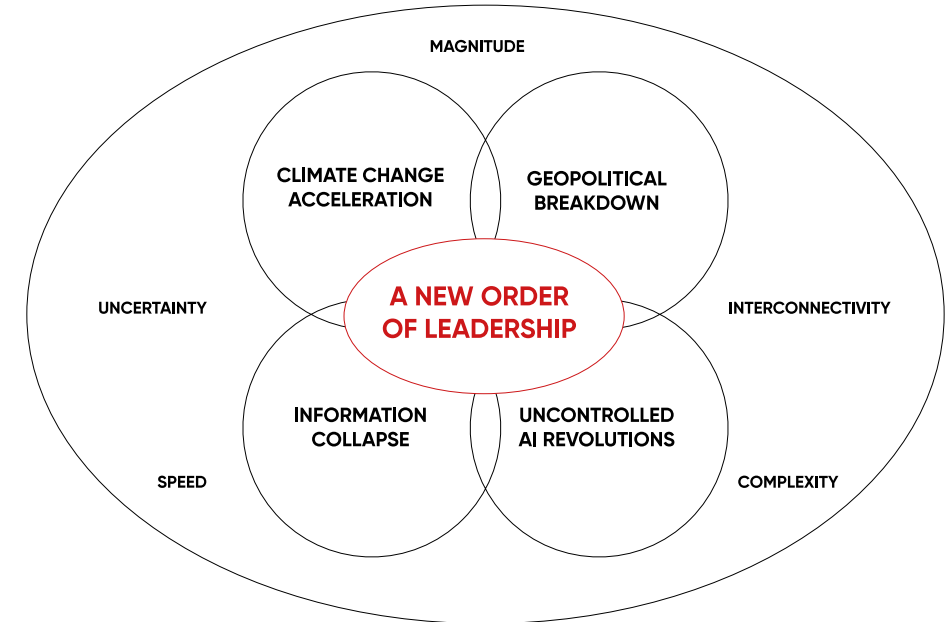
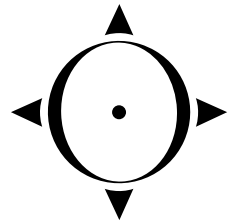


Figure 1: The “Wicked Circle of Risks” pictures the forces that now challenge the world order and the future of leadership - and why it has to be performed under extreme and ever-changing circumstances.

The “circle” is wicked for two main reasons:

1. None of the risks can be solved independently without creating new and even more wicked problems - and therefore needs to be addressed as one connected risk .
2. The risks are constantly moving targets and make it nearly impossible to identify final solutions.

Nevertheless it draws the picture of a new reality - one that has gained momentum and power over the course of several years, while warnings were ignored by a leadership that failed to act in time. This has now left that same leadership in a defensive position. The first step, however, is to understand the forces, events, and trends behind the four risks and how they interconnect. Chapter 8 provides brief summaries of each of these complex risks, explaining how they may connect, reinforce each other, and what to prepare for.



CHAPTER 3:

WHERE ARE WE HEADING?

To prepare for the future, we need to identify what kind of risks might lie ahead. According to the survey in the Global Risk Report, 900 selected global experts from business, politics, multinational organisations, civil society etc. foresee very turbulent years ahead. A majority (52%) anticipate an unsettled global outlook over the short term (next two years) indicating a heightened pessimistic outlook for the world to 2027.

The survey reflects scepticism that current societal mechanisms and governing institutions are capable of navigating and mending the fragility generated by the risks we face today. It is underlined by the fact that several of the multinational organizations such as the UN Security Council, IMF, World Bank, WTO, WHO etc. who have guaranteed a stable world order are losing credibility and impact.

The risk survey has defined and prioritized the risks of the next ten years into three periods:

Current global risk landscape - five top priorities:

1. State-based armed conflicts
2. Extreme weather events
3. Geoeconomic confrontation
4. Misinformation and disinformation
5. Social polarization

2 years global risk landscape - five top priorities

1. Misinformation and disinformation
2. Extreme weather events
3. State-based armed conflicts
4. Social polarization
5. Cyber espionage and warfare

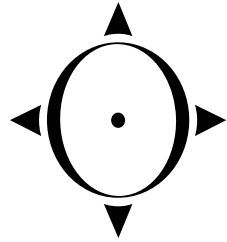
10 years global risk landscape - five top priorities

1. Extreme weather events
2. Biodiversity loss and ecosystems collapse
3. Critical change of earth systems
4. Natural resource shortages
5. Misinformation and disinformation

That is how Global Risk Report predicts the next ten years.

“Risk Report 360” agrees that climate-related problems will be a multiplier of major future crises especially because they right now seem de-prioritized for geopolitical reasons. But from a Wicked Risks perspective, we are heading for a future that, within a short span of time, will fundamentally change our present world order and challenge our civilization.

The outcome of the Wicked Risks depends on the type of governance and leadership we in the Western world are able to mobilize. These failed in the past decade; the above prioritized risks are proof of this. However, changing that picture will be a monumental task, not to mention the biggest leadership challenge in modern history.



CHAPTER 4:

THE NEED FOR A NEW TYPE OF LEADERSHIP

There is no guidebook for solving a “wicked circle of risks”. Yet we need one if we are to avoid the circles from turning into worst case scenarios. That could be the inevitable outcome if we continue to neglect obvious threats and prioritize short-sighted goals. It doesn’t take much imagination to foresee the escalation of these wicked risks at an accelerated pace.

We are currently witnessing the Western world desperately trying to manage risks and crises of an almost shocking magnitude, often abandoning existing rules, regulations, and priorities in an attempt to regain control. The outcome is nearly impossible to predict, but one thing is certain: it will fundamentally alter the Western-based order.

For obvious reasons, this will significantly challenge business leadership, although it’s difficult to predict exactly how or to what extent, given the constantly changing circumstances. However, the message from the geopolitical frontiers is clear: there is a pressing need to connect and build viable, strong partnerships to address complex threats. Any form of fragmentation will only spell weakness.

This could be a lesson for business leaders too and that is the *raison d’être* behind the “new order for business leadership”: To expand the role and responsibility of business and to be a visible and committed leader in shaping the resilient societies of tomorrow, while driving the initiatives necessary for progress. This requires broadening perspectives and mindsets, benefiting all stakeholders involved.

A DANISH APPROACH

Each country has to decide how it will determine the new reality, depending on individual circumstances and conditions. This chapter focuses on a possible Danish approach. Given the far-reaching impact of these combined risks, a highly coordinated effort is required across sectors and institutions. It is a case of broadening the security agenda and determining how to mitigate threats that would likely undermine Danish sovereignty, democracy, economy and social coherence, not to mention challenge the basic trust factors. The perspective and focus will supplement existing intelligence reports e.g. from the Danish Defence Intelligence Service.

The Wicked Risks confirmed by current events have a clear message: Big and threatening crises have to be addressed in partnerships. When risks connect, they call for systemic responses – and a shared social leadership. This entails closer relations between the private and public sector, given that none of the risks can be solved by any individual sector. Rather, they need to be shared across relevant sectors.

Denmark builds on constructive experiences, but in the present situation, the shared leadership might have to be more consolidated, formally and closely connected around handling specific problems and form a consolidated model.

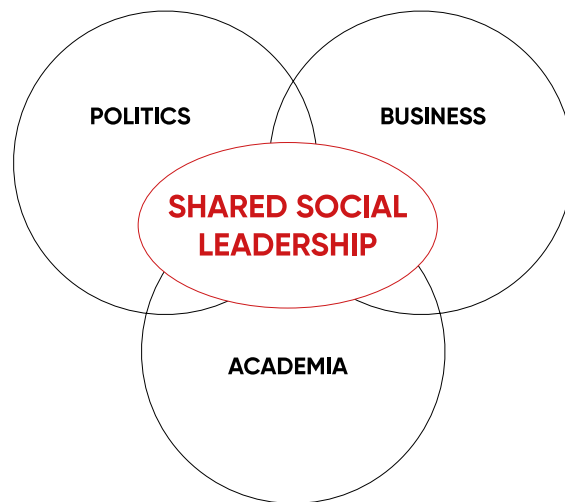
However, the impact largely depends on the speed, ambition, and commitment with which a new leadership framework is planned and executed. Looking back over the years, Denmark can point to numerous reports, projects, and events all aimed at making the country more competitive, innovative, and disruptive. However, pinpointing the actual outcomes has proven challenging. In the past, this lack of clarity wasn’t as critical due to stable and predictable circumstances. But that was before.

Today the circumstances are extreme and the pressure for action is accelerating. But we have been caught off guard and are insufficiently prepared – and the consequences can be fatal, and for companies a question of survival. We can no longer ignore the warnings and are forced to take specific and measurable steps to avoid the breakdown of our own national order. And governance and leadership must be the answer.

A SHARED SOCIAL LEADERSHIP

"Risk Report 360" suggests a fast implementation of a shared social leadership that connects leadership capabilities and drivers of change on a national level - including politics, business and academia in one committed effort. It is inspired by the Danish "grønne trepart", set up to solve climate problems in agriculture. The mission is to innovate solid answers to the combined Wicked Risks and turn them into opportunities. See Figure 2.

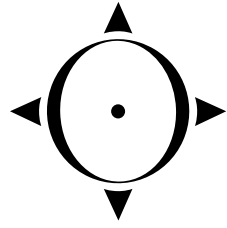
Figure 2: **A plan to fight wicked risks**



If succeeding in Denmark it could be expanded to other Nordic countries and built a strong regional approach - based on a common set of value-based orders.

Several practical questions must be addressed to make it work - e.g. who initiates the partnerships and on what premises, how could a joint governance system function, etc? The plan challenges the existing relations between politics and business and raises questions about arms-length principles. However, they need to be resolved if we, as a society, are to succeed at handling the kind of risks and potential crises we are facing right now and in the future. History has shown us numerous examples of how urgent problems and threats can change the rules of the game. We are facing that moment now, more than ever.

For businesses, this presents a new role and expanding responsibility, demanding a reinvention of business models to meet the challenges of an evolving landscape.



CHAPTER 5:

A NEW ORDER OF BUSINESS LEADERSHIP

The Wicked Circles of Risks – including a possible decline of transatlantic-based order with all its dramatic consequences – spells a new reality for companies. They appear to be players in a game that is out of their control. But the decisions and priorities they make will have profound effects on their business opportunities and credibility. It might even be a case of survival. A unique dilemma arises when regional markets demand business loyalty to protect borders. This dilemma will grow even more critical as security concerns bring business and state interests closer together, further complicating the landscape.

A new world order demands a new order of leadership—one that must clearly define its role and responsibilities in the face of extreme circumstances. The Edelman Trust Barometer 2024 underscores this shift, highlighting business leadership as a dominant force in driving change. According to the report, business is now the most trusted institution in society, surpassing NGOs, governments, and media in terms of public confidence. Business leads by 63 percent in a survey audience of 32,000 persons in 28 countries, followed by NOG's 59 percent, government 51 percent and media 50 percent.

Business is a very divided group and does not act in unity. As a matter of fact, it is the shortsighted and narrow invested interests of multiple businesses that have led to the current risks. But opposite examples exist and could leverage and innovate new ways forward and pave the way for win-win opportunities.

A WIN-WIN SCENARIO

The idea of developing a shared social leadership, where politics, business, and academia collaborate, appears to be both a necessary and complex endeavor. It will challenge traditional approaches to business leadership on many levels, but the inevitable consequences of emerging risks will fundamentally alter the conditions for doing business. This plan could be viewed as a proactive step toward addressing foreseeable challenges.

A social shared leadership could be one example of how business can ensure impact on both society and its own framework. It is not a substitute for making profit – on the contrary. It's about consolidating it. The model could benefit society and turn social responsibility into a resilient business model. How this could be achieved is exemplified in "The Leadership Circle of Change" as a combined response to the Wicked Risk and the need for supporting societal goals. It is built around five options, including the expansion of responsibility, defining purpose, revising goals, innovating the business model and communicating role and purpose.

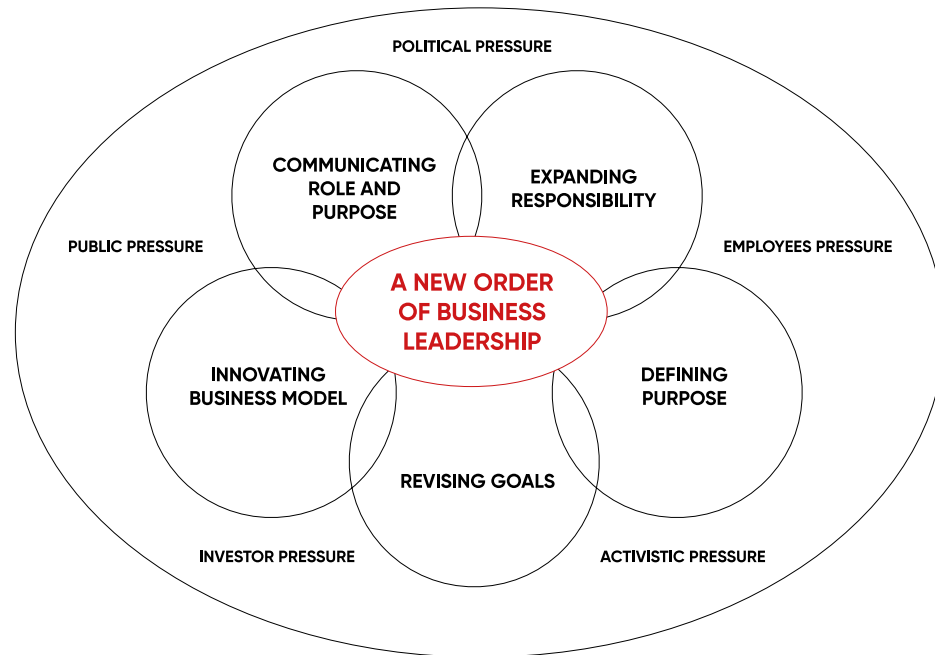
Together they form "the new order of business leadership", which can be an important brick in the structure of a resilient business model that is prepared for navigating under extreme circumstances. The new order could simultaneously resist mounting pressure from a wide range of stakeholders who expect companies to act more in accordance with ethical and moral norms. That pressure is activated by the public at large, politicians, employees, different groups of activists and investors etc.

Figure 3 exemplifies the elements in the new order of business leadership. They may immediately look familiar as part of well-known business concepts, but the difference is how they are performed and implemented – turned from intentions into hardcore and measurable strategies and goals and becoming part of a combined national effort.

It goes without saying that the models need to be further developed and critical questions must be answered – including how to be part of a triangle partnership. But the aim is to start a much-needed discourse in Denmark on how we address a problem and escalating risks that only can be tackled if we understand how to govern them. The geopolitical crises we are grappling with today may pale in comparison to the scale of disruption we could face as climate change accelerates, AI revolutionizes industries, and information systems break down. This underscores the urgency of the moment and the critical need to connect and expand roles and responsibilities through a unified, coordinated effort.

The following paragraph provides a short presentation of how each piece of a shared social leadership should unfold, simultaneously forming a connected and systemic approach to complex risks.

Figure 3: **The leadership circle of change**



- **Expanding responsibility:** Shared leadership is a matter of pursuing an expanded business responsibility. It has to be defined in exact terms, what it implies and how to integrate it on all levels in the organization – making it a corporate DNA. It corresponds with the fact that business is expected to be a committed stakeholder in solving major problems in society and a trusted partner with the public sector – opening the frontlines between the sectors. The goal is turning social responsibility into a solid business case. But the question remains: How to ensure it can make measurable differences on bottom lines?
- **Defining purpose:** The expanded business responsibility will only work, if it is spelled out as a prioritized part of the company's purpose and as a strategic response to a new reality – avoiding it to be seen as a fluffy approach. Because purpose is debated and often seen as “window dressing”, it needs to be positioned and upgraded as a vital navigating tool. As an example: A new geopolitical order might have profound consequences for the market economy and limit the business opportunities etc. So how do companies define a purpose that is aligned with a new reality? The purpose-driven strategy should be one of the solutions.

- **Revising goals:** The years ahead will be extremely demanding for any company. Companies must stay constantly alert to new circumstances and act accordingly – being in ongoing transformation mode. Such resilience requires strong financial power and an ongoing balance between being risky and innovative without compromising the financial goals and the need for a solid profit. Striking that balance might call for a new set of goals that meet both demands. The need for constant change is both an opportunity and a threat depending on how it is managed – and according to what rules.
- **Innovating business model:** In a future marked by continuous transformation in society and the marketplace, agility may become essential for survival. This includes reassessing the need for new skills and competencies, innovating business strategies, and integrating AI tools effectively. The challenge will be balancing the stability of fundamental models with the necessity for constant adaptation – while ensuring that leadership and expertise evolve in step with these demands.
- **Communicating risk and purpose:** We are approaching a very transparent future – one that is more transparent than ever before. Everything will be open for all – for better or worse. The risk of shitstorms will escalate and could seriously damage or even kill a company. To maximize impact and avoid brand damage, communication will become an essential leadership tool. It forces leadership into an important public position and moulds the company profile to the outside world. The way a company – and especially the CEO – handles highly complex situations can determine the company's impact and value.

As obvious and traditional as the five elements of a shared social leadership might seem, they nevertheless call for an expanding leadership mindset if the circle is to make the required and impactful difference. Implementation will play a key role here. But together they should change the *raison d'être* of doing business – a business that is a closely committed partner for solving major risks in society and accordingly expands responsibilities, purposes, goals, business models and communication efforts. If that is not understood and implemented, it will just end up being old school.

THE PRESSURE GROUPS

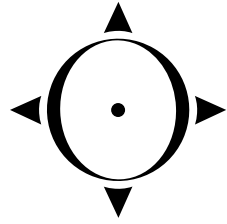
The new world order and escalating transparency will undoubtedly heighten scrutiny on the ethical and moral behavior of companies. How will businesses navigate the new rules of a geopolitical game—particularly if Europe adopts the “Maga-concept” of prioritizing its own interests and protecting its borders? This shift will trigger pressure from various groups, each expressing varying degrees of influence—ranging from the public, media outlets,

and politicians, to a growing number of activists, employees who disagree with corporate policies, and investors who may have strong opinions on corporate leadership for a variety of reasons.

In summary: Amidst all the uncertainty, one thing is for certain: business will be forced to redefine its role and responsibilities in society - and will have to do it quickly. This will not only define competitiveness but survival options.

Throughout history, we have experienced multiple industrial revolutions, each reshaping business landscapes and creating new opportunities. However, the transformation we are witnessing today is poised to be more disruptive to businesses and leadership than any before it. What sets this shift apart is its unprecedented speed and scale. Previous revolutions unfolded over decades, with their significance only fully understood in hindsight by historians. Today, change is happening in real time, demanding immediate adaptation and foresight from leaders navigating an era of constant disruption.

While we may not be able to name the present and ongoing "revolution," it is clear that it will unfold much faster than previous shifts, and we must plan for it in advance. Waiting for historians to decode the chain of events once it's too late is no longer an option. One could hope for a "leadership revolution" - one where a fractured world order gives rise to a new leadership model, becoming a cornerstone of resilience in Western societies.



CHAPTER 6:

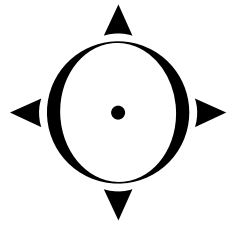
THE NEW ROLE OF BUSINESS SCHOOLS

A new leadership order can't be developed and consolidated without the commitment and involvement of the business schools. They are much-needed partners in preparing business for performing leadership under extreme circumstances. However, much like the business community, they too have to innovate their own "business model", including how the existing curriculums can be aligned with the tomorrow's needs. They might have to swallow their own medicine about the preparedness they teach students.

The situation raises several questions to business schools such as CBS:

- How can schools define their role and responsibility in preparing leaders for dramatically changed circumstances?
- What kind of changes might be required in the curriculum?
- What new courses should be considered?
- Do the schools have to supplement their staff with new competencies?
- How can business schools expand and innovate partnerships?
- Should business schools prioritize ongoing and lifelong educational courses?
- Could business schools be a driving force in transforming the business sector to a new reality - and the primary architect for a new leadership order?
- How do universities collaborate to address the interdependencies between sectors and the need for new cross-disciplinary thinking?

These are just examples of relevant questions in a process of preparing business schools for their new reality. The CBS engagement in this report is the token of the commitment to explore paths of action to ensure a solid foundation for leadership capabilities in a new world order.



CHAPTER 7:

THE ROLE OF SOCIETY

“Risk Report 360” serves as a snapshot of a rapidly evolving circle of dramatic risks that will undoubtedly shape our history. However, how these risks will unfold and the consequences they bring remain uncertain, as they are currently caught in the perfect storms of ongoing events. The Western hemisphere has been shaken and is responding accordingly—including European leaders, Denmark among them. This moment serves as a critical test of political governance and leadership, revealing how well it can navigate extreme circumstances. So far, there is significant room for improvement.

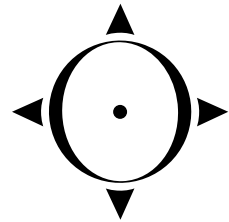
What is most concerning is the shocking lack of preparedness for events and risks that have been developing for years – despite repeated warnings. What is most certain in an age of uncertainties is the acceleration of turbulence and stormy events – as predicted by 900 international experts in the Global Risk Report. If we continue to fail to understand the main drivers of change and to adapt accordingly, we will not only face new and bigger shocks, but risk meltdowns of our civilization and a final decline of a Western order.

MAKING A DIFFERENCE

That risk includes Denmark. Even if as a single and small country has limited impact on an international stage, we can make a difference – if we want to. Besides the fact that Denmark is positioned as a strong player in the current conflict and the prime minister is a highly profiled European leader, we have to prepare our society for the new reality.

This report offers some ideas, others could be added. They should be considered as pieces of a bigger puzzle, aimed at turning this crisis into a decisive and joint effort to foster robust national resilience. Lessons learned from previous and present conflicts pinpoint the need for close collaborations and partnerships. In other words: Developing a shared responsibility and sharing the capabilities across sectors and shortsighted interests. If we can't do it in Denmark, how can we expect it to happen on an international scale?

For this and other democracies it is a moment of truth, and history will judge according to the actions we took – or didn't take. 2025 may be the year that defines where we are heading and will, without any doubt, change history.



CHAPTER 8:

FOUR STORIES THAT CHANGE THE WORLD

The following four stories illustrate why and how these risks are not only wicked but also deeply interconnected, rapidly accelerating, and posing a serious threat to our civilization. They highlight the urgent need for a new paradigm of leadership to navigate this unfolding crisis. The geopolitical crisis is a constant moving risk, but the overall and expected outcome seems to stand out - more or less.

1. CLIMATE CHANGE ACCELERATION

Climate changes are a multiplier of a cascade of accelerating consequences. We have to prepare for a temperature rise of 3 degrees in the decades to come That will change all known criteria for developing societies, doing business and maintaining strong democratic institutions. Nobody knows what a 3-degree society looks like, only that it will affect all walks of life and might threaten the civilizations we have developed over centuries. That will have grave consequences for business too.

The European Environment Agency describes in its 2024 report the consequences for Europe in these terms:

Expected climate-related hazards such as:

- **heatwaves, prolonged droughts and floods**
- **interaction with non-climatic risk drivers as**
- **ecosystem fragmentation and pollution**
- **unsustainable agricultural practices and water management**
- **social inequalities**

now threaten Europe's food security, public health, ecosystems, infrastructure and economy.

Climate impacts can cascade from one system or region to another, including from the outside world to Europe and from Europe to the outside world. Cascading climate risks can lead to system-wide challenges affecting whole societies, with vulnerable social groups particularly implicated".

According to a newly published report from the World Economic Forum "Business on the edge building industry resilience to climate hazards", climate will raise all operational costs with alarming figures and disrupt supply chains etc. Five sectors appear to be particularly vulnerable to climate hazards: Agriculture, food and beverages, built environment, technology, health and well-being and financial services.

A few facts outline what it takes to mitigate that kind of a catastrophe.

THE WICKED CHALLENGE

According to the UN Emission Gap Report 2024, we must still meet the goals set by the Paris Agreement and the Global Goals – goals that we have significantly failed to achieve so far. However, the circumstances now appear much harsher. It is about fulfilling the Nationally Determined Contributions (NDCs), and the report highlights:

- If only current NDCs are implemented and no further ambition is shown in the new pledges, the best we could expect to achieve is catastrophic global warming of up to 2.6°C over the course of the century.
- Implementing only current policies would deliver up to 3.1°C of warming. All these scenarios would cause debilitating impacts on people, the planet and economies, and set the world on a disastrous trajectory.

But the present and escalating crisis leaves no hope that the world can meet the required NDCs. Instead, we have to realize that climate change is a downgraded geopolitical agenda not only in the US but in European countries as well but – and that is why we are ill-prepared for handling the biggest threat to mankind for generations and centuries. A still weaker and dysfunctional UN system further undermines the possibility of a coordinated global action on climate change.

Today and in years and generations to come, climate change seems to be the biggest risk of all and defines our future options to a larger extent than the breakdown of the present geopolitical order. You can negotiate on establishing new orders, but you can't negotiate with climate change. And so far, we have not developed any "weapons" to beat the climate battle, nor identified any possible "peace process". On the contrary. The climate-world has just lost one of its closest allies. The fact that the US has taken a dramatic climate U-turn and banned all climate-related initiatives and regulations is a huge step back in the battle against climate change, and will have a major effect on the accelerating climate crisis.

But it has only come this far because we on all levels in any society, in any sector in any country and on a global scale have failed to follow up on the continuous and still stronger warnings from the scientists. It is an ironic paradox that the more we talked about climate change, wrote reports, and held numerous conferences, including 29 COP conferences, the faster and steeper the global temperatures rose.

The future of climate change is closely linked to the future of geopolitical breakdowns. A "3 - degrees society", , as scientists expect we are heading for, will without doubt relish geopolitical conflicts on a scale and level which are hard to imagine. And geopolitical conflicts have the past few years sidetracked global interest in solving the climate crisis and threaten to do so for a foreseeable future.

2 . G E O P O L I T I C A L B R E A K D O W N

The past years – now intensified by recent dramatic events – confirm that we have entered the most perilous and unpredictable geopolitical landscape since World War II. The broader consequences are nearly impossible to foresee. We are in a state of geopolitical emergency, where nations and actors scramble to protect themselves – only to further amplify the very risks they seek to contain.

A breakup of the Transatlantic Alliance and a split between US and Europe will dramatically change a partnership that for many decades has formed the essence of the Western hemisphere – cultural, economic, security, business etc. If this partnership should end within a relatively short time, Europe will be forced to reinvent itself and fulfil a role as a superpower in its own right.

The "Global Risk Report 2025" from World Economic Forum warned earlier on about the potential risks by stating:

"Deepening divisions and increasing fragmentation are reshaping international relations and calling into question whether existing structures are equipped to tackle the challenges collectively confronting us. Levels of global cooperation across many areas of geopolitics and humanitarian issues, economic relations, and environmental, societal and technological challenges may reach new lows in the coming years. That will challenge global economies, disrupt market structures and international supply chains. Key countries like the world's biggest economic power appear to be turning inward, focusing on mounting domestic economic or societal concerns, just when they should be seeking to strengthen multilateral ties to confront shared challenges.

There is a danger that more governments lose faith in multilateralism as a forum for resolving conflicts, and that the world instead becomes more adversarial, with conflicts ending only via battlefield, winner-takes-all victories and not through negotiated, multistakeholder peace agreements."

That is what is happening right now on the geopolitical stage, and it draws a picture of credible scenarios:

SCENARIOS FOR THE FUTURE

A continuation of the current paths will confirm a future with a very divided world order, split up into several autonomous regions centered around China/Russia, the US and EU and a Global South following its own path and based more on economic than ideological aspirations. In this scenario Europe could be a strong regional superpower in its own right. How these regions will play together or against each other remains to be seen. But so far, a possible alliance between the US and Russia will change all existing rules of a geopolitical powergame, which for many years have formed our security agenda and prioritized the Western strategies.

Nevertheless, it still seems plausible that we have to prepare for a strongly regionalized, integrated and protectionistic power structure.

Three different tracks could develop for Europe:

1. A united EU: The region succeeds in strengthening common ground on a wide number of crucial and previously sensitive political agendas. In this scenario, the EU accelerates to become a self-sustaining region on most possible dimensions – technologically, security, culturally, economically – including building its own social media platforms such as a European version of Facebook etc. The present crisis could result in building a resilient Europe. It might even pave the way for a Europe inviting other countries into different kinds of partnerships – like nations sharing some of our goals and not yet tied up with China/Russia or disagreeing with the new US geopolitical approach.

In this situation the Global South might play an important role – acting as a kind of a “geopolitical joker” who might benefit from the breakdown of the present world order and lining up with whoever wants access to their resources. Both China and Russia have shown big interest in the region. Global South – with India as a key player – takes no stands in the East-West break up, is not driven by ideologies but pragmatic economic and social benefits. But a stronger and more integrated EU could be an interesting player for both parties.

2. A divided EU: Given that the EU is currently far from being prepared for big, fast integration steps, an ambitious and upscaled process towards a resilient region may disclose fundamental splits and internal conflicts. To pursue a stronger integration, the EU must overcome political differences between some Southern- and Eastern European countries and Northern- and Western European nations including the right – and left-winged political movements. This could prove a tough political nut to crack in a hurry. The worst case scenario could be a more divided and weaker EU, leading to a disastrous breakdown of the Western hemisphere.

3. A humiliated EU: A third outcome is that the EU concludes that it can't do without the US and has no other options but to please Donald Trump and accept his demands in a desperate and humiliating attempt to continue as a “loyal” partner. This was strongly demonstrated in the US Security Council February 24th where the US aligned with countries like Russia and North Korea, and Western European countries had to follow suit. We might risk more of these situations in the future in return for US support and remaining in NATO.

The outcome may be a mix of the three scenarios.

A MATTER OF LEADERSHIP

2025 and the next couple of years will on all levels test the EU's potential for being an influential geopolitical power. But it will first and foremost be a test of leadership and regional governance, and here the EU is lagging behind to match strong and powerful egos like Donald Trump, Vladimir Putin and Zi Ping. Leading countries such as France and Germany are facing internal political problems for the time being and are not able to take strong leadership. In the present situation, the chair of European Commission, Ursula von der Leyen, is forced to act as the primary leader of rebuilding European unity. But it discloses why Europe is not sufficiently prepared for handling the region's biggest challenges – maybe since the EU was created.

2025 will reveal and define what kind of Europe we will have in 2035. But the current effort by the European leaders could end up with a new, stronger and closely coordinated leadership.

But besides lack of leadership, a lack of technological performance and skill might be another and very crucial risk.

3.

UNCONTROLLED AI REVOLUTIONS

It will change everything. That is how AI is described – and there seems to be a lot of truth in that expectation. It will – and has already proved – that the AI technology will revolutionize society big time. Only our imagination can foresee how much and how fast. Apart from its obvious benefits, it could be a decisive weapon in the geopolitical powergame – threatening democracies, strengthening autocratic political forces, influencing the behavior of people and introducing dangerous and partly uncontrolled military weapons.

It is uncontrolled because new generations of AI are evolving at an unprecedented pace, following its own trajectory beyond existing regulations and safeguards, fueled by increasingly advanced algorithms. Soon, it will surpass human capabilities in solving complex – and even wicked – problems. And this is just the beginning. The revolution will accelerate further as AI merges with quantum technologies, exponentially expanding its power and influence. There is no stopping it—we passed that tipping point years ago

The impact of the AI revolution can be measured on several levels:

- **GEOPOLITICAL:** It is already playing a vital role on the battlefield in Ukraine and can be expected to change the rules of warfare in years to come. The perspectives are huge and risky. If we can't control the technology, how can we then control its impact on warfare? How do we avoid AI technology acting independently of human interference and then by accident starts a war? We don't have the answers. But it seems beyond any doubt that AI will revolutionize the rules of war within a few years. The frontiers will be the US and China with Europe lagging behind and will have widespread consequences for the outcome of geopolitical conflicts. That includes the growing cyberrisks.

The "Global Cybersecurity Outlook 2025" from the World Economic Forum describes how cybersecurity has entered an era of unprecedented complexity as geopolitical tensions are intensifying, new technologies are emerging at breakneck speed and threats are becoming more sophisticated. The reports added that 66 percent of business organizations expect artificial intelligence to have the most significant impact on cybersecurity in years to come and only 37 percent have processes in place to assess the security of AI tools before deployment.

The expected investments in AI technologies reflect the magnitude and speed at which the technology will expand. Donald Trump recently launched an AI project with a group of big investors planning to pour 500 billion dollars into the AI game – mirroring the profound political interest in controlling the technology. Four of the tech giants like Meta, Alphabet, Microsoft and Amazon plan to invest 320 billion dollars – 2300 milliarder kr. in AI in 2025.

- **DEMOCRACY:** AI has so far outperformed any control measures and legislation. A revolutionary technology that has widespread and existential impact raises critical questions. Given that AI technologies behave ever more autonomously, who will then be responsible for potential failures and damage, if there are no legislative rules? Are we heading toward a juridical no-man's-land? This is just one of many critical issues we must address, and it will only escalate alongside the rapid, uncontrolled technological breakthroughs.

But the biggest questions deal with the influence on democracies and legislations as such. If the technologies prove to be better, more efficient and more exact than any human process, why not let it decide what laws to pass etc.? Where do we draw the line? These perspectives are not far out but will be relevant and need to be addressed within the next few years if we want to have a minimal impact on the future of democracy.

- **LEADERSHIP:** That challenge is mirrored in leadership. Given the impressive competences of the future AI technologies, who will be the best to identify and implement business and corporate strategies? AI or the CEO? No doubt that AI will outperform the CEO and create the "intelligent corporation" – proving the best options for performing leadership under extreme circumstances, ensuring the strongest guarantee for a stable income and therefore being the preferred choice of shareholders. The CEO and the board's main responsibility is overseeing and controlling a process they can't control. This may sound more like fiction than reality, but might already be in the making and closer than we want to believe – and could end up being one more foreseeable risk we discovered too late.
- **DISINFORMATION:** AI technologies' ability to handle and prioritize vast amounts of information will position them as by far the most influential global media. But that paves the way for a myriad of fundamental questions and risks – specially in a situation where mis – and disinformation is rated to be the global biggest threat to the next couple of years by The Global Risk Report. The report is concerned for data privacy, intellectual property infringement, ethical implications, the negative impact on the information ecosystem, bias and inaccuracy risks, and potential job displacement. The report refers to recent spread of de-

epfake technologies and how it has produced misinformation or other harmful content. Of particular concern is the increase in what the report calls the "volume of non-consensual adult imagery or deepfakes".

But it seems obvious and unavoidable that AI technologies - led by the big and still more powerful tech giants - will have a huge impact on how we produce and deliver information and influence people's behaviors and preferences. It is a development we can't change and control but just might adapt to - for better or worse.

Regardless of the numerous benefits of AI technologies, it remains an accelerator of a risk that might be the most dangerous: An information collapse.

4 . **INFORMATION COLLAPSE**

What is the truth? What to believe? Basic questions but hard to answer. A rare combination of dis- and misinformation, advanced AI-technologies, conspiracy theories, the tech giants monopolizing the distribution of news, an ever-expanding number of social media platforms etc. stirs any possibility for knowing what to believe and what information to rely on.

Today a small group of American tech giants owns and dominates the news and what to read. This risk has lately turned from bad to worse because of the sensational alliance with the Trump administration and how they seem to make a trade-off by aligning up with his agenda to avoid regulations of their business.

The fact that two of the world's biggest information influencers - Elon Musk and Mark Zuckerberg - now position themselves as the world's leading provider of dis- and misinformation in the name of unlimited freedom of speech opens a new and fundamentally scary perspective. That's the motivation behind dropping fact-checking and abandoning regulation. But their moves pave the way for an accelerating trend that will dominate the global spread of knowledge and turn information into a weapon of mass disinformation. As such, we may be looking into a world information war.

It is no coincidence that for two consecutive years, the Global Risk has rated misinformation and disinformation as the top risk. But the problem is deeper rooted than spreading false information. It reflects a far more complex challenge about new norms and values, social preferences in a more divided, more polarized and more unequal society with a declining trust in news, media and politics. More people - especially younger generations - seek new sources of inspiration. The expanding output of easy to comprehend messages from tech giants meet their needs but with a growing flavor of mis- and disinformation. It will, to an alarming effect, shape the minds of broad audiences but at the cost of building an informed public.

INFORMATION WARFARE

The growing and uncontrolled impact of the tech giants has economic, security and democratic consequences.

Economic: They have monopolized the market for information and violated free competition, and can decide what prices to charge.

Security: The tech giants have gained so much power that they can influence foreign – and security politics, and the outcome of geopolitical conflicts and agendas. That’s what happened when Elon Musk’s Starlink-satellites joined the war in Ukraine.

Democracy: Their impact on our lives, and the amount of data about our preferences and what to read etc are further strengthened by AI, and in the future quantum technologies can have far-reaching effects on our democracies – without any possibilities for controlling us. They know much more about us than we do about them.

We are currently facing an ongoing dramatic change of the way we produce, receive and absorb information and how it influences our behavior. The consequence is clear: A collapse of our information infrastructure. It will be the biggest obstacle to solving the “Wicked Circle of Risk”.

But looking ahead, Europe has to be prepared for outright information warfare and the primary enemy is the US. They master the biggest and most influential “weapons” – the big tech giants – and they all have very strong footholds on European ground. As with military and security investing, Europe is far behind and needs to step up and build its own information infrastructure and tech giants. This is as critical as energy and defence – as they are influencing both energy and security.

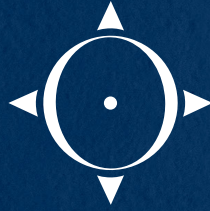
Conclusion: *Change the world, change the story*

NAVIGATING 360

Navigating 360 is formed by a network of leading Danish scholars from the main universities - representing an outstanding ecosystem of complementary competencies. The mission is to stay ahead of risks and threats - and how to prepare for them. Navigating 360 works closely with a number of academic institutions and knowledge centers in order to handle complex and accelerating risks. It is based on the following principle: The difference between a risk and an opportunity is how soon you discover it - and act. See www.navigating360.dk

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QUESTIONS TO BE ANSWERED

- What could be the main pillars in a new leadership order?
- What role should business leaders play in preparing for a dramatically changed future?
- What seems to be the biggest obstacles?
- What could be the most important outcome?
- What new skills might be needed?
- What are the role and responsibilities of the business schools?