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Global Megatrends

Numerous definitions have been created for describing the overarching and complex processes of the world. What they have in common is that they all define these as ones that can determine the way the world operates over a longer period of time and thus provide a possible basis for imagining future occurrences. The futurist, John Naisbitt' bestseller book, published in 1982 has been instrumental in bringing megatrends to the attention of the researchers of various fields (economists, demographers, sociologists, political scientists etc.).[2] Another futurist, David Houle argues that we live in a 'shift age', in an era of transformation determined by new evolutionary factors, thus it is crucial how humanity deals with the coming twenty or thirty years of challenges. Another scholar, Haven Allahar highlights the importance of understanding major global megatrends when deciding upon launching new policies.[3] As consequence of this increased interest in the topic, *Future Studies,* also known as *Futurology* or *Futurism,* has emerged as a unique field that focuses on the grand societal, technological and economic changes with the aim to forecast the possible scenarios of the forthcoming decades and centuries. Richard Slaughter critically reflects on the value and applicability of the megatrend concept and asks to what extent these megatrends can be used to draw conclusions for the future. In his later analysis, he provides a new methodological approach by combining the 'breadth' and 'depth' in enquiries on the future. Slaughter also contributed significantly to understand what is, and what is not a megatrend. Due to our embeddedness in our present perceptions, sometimes it is hard to differentiate them from 'game changing events', 'black swan' occurrences or even 'critical uncertainties'.[4] As an example a political one can be mentioned: The worldwide polarisation of the electorates can be considered a megatrend, nevertheless, the democratic deficit of the European Union (EU) cannot. International organisations and the

[1] Ludovika University of Public Service.

[2] Naisbitt 1982.

[3] Houle 2011; Allahar 2014.

[4] Slaughter 1993: 827–849; Slaughter 2002: 493–507; Slaughter 2013: 354–359.

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European Union have also included megatrends in their vocabulary. In one of its science and innovation outlook, the Organisation for Economic Co-operation and Development (OECD) defines megatrends as "large-scale social, economic, political, environmental or technological changes that are slow to form but which, once they have taken root, exercise a profound and lasting influence on many if not most human activities, processes and perceptions".[5] The United Nation's (UN) 2020 report lists five megatrends such as 1. climate change; 2. demographic shifts and ageing; 3. urbanisation; 4. the emergence of digital technologies in the fourth industrial revolution; and 5. inequalities. "Each of these megatrends has evolved continuously over decades, developing its own dynamics, and influencing economic, social and environmental dimensions of sustainable development."[6] The EU has just recently realised that the Union has to be aware of the megatrends. Exploring the current developments and anticipating the future scenarios have to be embedded in the policy-making processes. One of the vice-presidents of the Commission was assigned to chair the task of forecasting. The first Strategic Foresight Report was launched in 2020. Since then, one has been published every year with the aim to "explore, anticipate and shape the future" and be able to provide a platform for reaching policy goals that can be only done by applying a wider perspective and being aware of the megatrends and their interlinkages.[7] Just as there are different definitions of megatrends by scholars and institutions, there are also different lists of megatrends. While acknowledging the unique approach of the various scholars, in this chapter we will use the definition formulated by the Megatrends Hub of the European Commission that defines them in the broadest possible sense: "Megatrends are long-term driving forces that are observable now and will most likely have significant influence on the future."[8] While being aware that other lists of megatrends can be composed, we will now attempt to briefly discuss the following ones in our chapter: 1. demographic changes and challenges; 2. economic power and development; 3. backsliding democracies; 4. geopolitics, security concern and securitisation; 5. climate change and the environment; 6. connectedness, information, technology and AI; 7. vulnerable individuals – identities and identity politics.

5 OECD 2016: 1.
6 UN Report 2020: 22.
7 European Commission 2020, 2021a, 2022a.
8 European Commission 2022b.

We have selected these because we think that in order to better apprehend the new generation of hybrid means used in local, regional and global conflicts, it is essential to understand the dynamics and interlinkages of these seven megatrends. Megatrends as key drivers of socio-economic and geopolitical developments are therefore key to understand the general framework of the dynamic of global power shifts and international conflicts.

Demographic changes and challenges

In late 2022, global population surpassed the 8 billion mark. The UN's principal population projection (the medium variant) suggests that the world population will grow to nearly ten billion by the middle of this century, and will level off at around 10.4 billion by the 2080s. However, if fertility declines by less than projected, the world population could exceed twelve billion by the end of the century. Urbanisation is also an important megatrend which accelerates global migration. The first year in which more people lived in urban than rural environment was 2007. By 2050 almost 70% of the world population will be living in cities.[9] The global population has been exploding in the last hundred years but according to projections it will stabilise later in the 21st century. Between 1950 and 2018, average annual population growth was 1.6%. Recently it is 1% and will decline gradually. The population of the earth is projected to stabilise at around 11 billion. Even if the global population stabilises around that figure, unsustainability both economically and environmentally seems a real issue. Moreover, many of the world's least developed countries have populations projected to double between 2022 and 2050, while the populations of more than 60 countries are expected to decrease in the coming 25 years due to declining fertility, especially in high income countries, such as the member states of the EU.[10] The global population is ageing on average: the share of the population over age 65 will rise from 5% in 1950 to 15% in 2050 and further up to 25% by 2100. 2018 was a global demographic turning point: the planet had more people aged 65 years and over than children under five for the first time in history. Having said this there is considerable diversity across regions: Europe, Japan

[9] United Nations 2022.
[10] United Nations 2022.

and the United States are ageing most rapidly, thereby losing their labour-force base at a quick pace. These trends point to a sustained and long-term migration pressure on European countries. Europe is particularly vulnerable regarding demographics, unless a radically different policy approach to the old-age pension systems is established. Otherwise, the European pension systems and in a broader sense, the European social model will most probably prove to be unsustainable. The recent experience of complex difficulties with the integration of third country nationals into the European labour market and the new waves of immigration imposes additional burdens on states and the EU. The general trend of overpopulation, and radically different age-composition of EU and African countries, coupled with climate unsustainability and the possible emergence of regional conflicts around its border puts a massive and complex security pressure on Europe both EU and nation state level. The radical increase (doubling in hardly more than a generation) of the dependency ratio (ratio of retirees over the active population) in every EU member state is one of the most powerful and highly underrated trends that impacts not only the labour market, but the general budgetary stability and in the medium-term the sustainability of the European social model and also the political system of the European Union. The inherent instability of the European demographic situation (persistently low fertility rate – way under the minimal 2.1 – standing around 1.5), the unprecedented demographic ageing of the society, coupled with ever more evident policy failures related to labour force import by immigration is also a game changing phenomenon in the long run. Unless tackled efficiently, the negative demographic trends in the EU will result in further erosion of societal peace and security.[11] Migration from insecure and poor regions of the neighbourhood is a long-term reality for Europe. The stark difference of the age tree and the level of security and wealth between Europe and most of its immediate neighbouring areas will guarantee that the migratory pressure on Europe will be sustained for several generations. Migration and the potential mismanagement of it remains a direct and indirect security challenge for the EU and most of its member states, moreover migration has already been and will most probably be weaponised by adversaries of the EU and its adversaries.

[11] Marján 2010.

Economic trends

There is a major realignment taking place in the global economic power equilibrium, while still the West accounts for the majority of global economic production. Moreover, countries with shrinking labour forces (typically highly developed western countries) contribute to 90% of today's global economic growth. At the same time the main centres of continued population growth are in the Indian subcontinent and Sub-Saharan Africa, and this latter will account for over a quarter of total population growth for the rest of the 21st century. The portion of the world living in high income countries will fall from 32% in 1950 to 10% by 2050.[12] The most remarkable element of this global realignment is the rapid increase of China's global economic clout which, by 2022 clearly has geo-political consequences and the realisation thereof in Western political thinking. The U.S. was first to react to China's ever more assertive economic expansion both in terms of exponentially growing production and international trade and foreign direct investment activities and major bilateral and multilateral deals worldwide (mainly Africa and Asia). Projections now are inconclusive whether and if so when the Chinese economy overtakes the U.S. as number one in the world as China seems to have to cope with multiple challenges recently. The U.S., especially since the Trump Administration, later further intensified by the Biden Administration ramped up its counter-China economic actions, clearly connecting economy with geopolitical and security considerations. Compared to the traditional toolbox of trade barriers mostly in the form of customs duty rise and imposing trade barriers, the drastic measures of 2022 related to the trade ban on high-end microchips (involving coordination with other major international players, such as Taiwan and South Korea) represent a wholly new level of economic war. Europe was slower to engage in a more stringent stance towards China in the economic warfare, but it is clearly on a similar path, rendering for instance incoming Chinese investments more difficult. Economic tensions between the EU and the U.S. were also on the rise (although this was overtaken by the historically close cooperation between the two powers in relation to the war in Ukraine). The controversial U.S. legislation, the Inflation Reduction Act of 2022 that provides 350 billion subsidy to

[12] Quillin 2019.

high-end companies, including those active in clean energy made strong waves in EU capitals that are afraid of losing key industrial bases by investments and companies relocating to the U.S. This posed a major policy challenge in Europe, whether or not keep up its traditional libertarian economic model, or follow the American example to allow massive state intervention in sectors of key importance. In general, due to several factors, such as the Covid lockdowns, the global economic slowdown, the heightened level of geopolitical competition between the U.S. and China, multiple ruptures in the global supply chains, the Russian aggression in Ukraine dealt a series of blows to globalisation. A fundamentally trade and investment based global order seems to be over. Geopolitical and security considerations are getting ever more important in the global economic policy decisions and practice. This would probably have negative impact on the global output and wealth and ironically the major loser of a fractured global economy will be China. Russia will probably slide further back globally as an economic, geopolitical and military power, probably isolated for a long time from the West, notwithstanding the end result of its war against Ukraine. Similarly to the future global security framework that will see a fractured system, in which two blocks, West–East will compete ever more intensively, the global economic landscape will also be based on a two-block opposition including the separation of key business areas such high-end chip production, robotisation, artificial intelligence development, further eroding globalisation. The rising level of tensions in economic competition, especially in high-end technological sectors, like semiconductor production points beyond economy and stems from national security concerns, therefore upping the possibility of escalation to measures beyond traditional trade disputes.

Backsliding democracies

"The world has been in a mild but protracted democratic recession since about 2006."[13] But as Carothers and Press argues, although democratic backsliding is a global trend in politics, there is not an agreement on its drivers.[14] The rise

[13] Diamond 2015: 145–155.
[14] Carothers–Press 2022.

of autocratic leaders, often supported by undemocratic regimes like China and Russia, the digital transformations and changes in media consumption as well as the rise of various forms of surveillance, economic inequalities, rise of populism and intensified political polarisation can all be blamed for leading to democratic backsliding.[15] There are several democracy measurements and indexes available with different data sources and methodology. One of the most referred and acknowledged one is the V-Dem Institute's yearly published democracy report that includes separate indexes on electoral, liberal, participatory, deliberative and egalitarian traits of democracies based on more than 470 indicators and a unique methodology. As the V-Dem Institute's latest democracy report argues: "The level of democracy enjoyed by the average global citizen in 2021 is down to 1989 levels. The last 30 years of democratic advances are now eradicated."[16] As the report argues, democratic decline is apparent in Asia-Pacific, Eastern Europe and Central Asia, Latin America and the Caribbean.[17] While in 2012 42 states could be characterised as liberal democracies, in 2021 this number is only 34, which is the lowest level in 25 years, while autocracies and dictatorships are on the rise worldwide. Further, as the V-Dem experts argue, the world has significantly changed in ten years' time in terms of democracies. Toxic political polarisation, threatened freedom of expression lead to a sharp increase of the number of people who live in autocracies worldwide.[18] Another widely cited index was developed by the Economist Intelligence Unit. The biennially published index analyses the state of democracy in 167 countries along five aspects: electoral process and pluralism, functioning of government, political participation, political culture and civil liberties. On the basis of experts' opinion, countries are given scores and put into four main categories of regimes: full democracies, flawed democracies, hybrid regimes and authoritarian regimes.[19]

15 Carothers–Press 2022.
16 V-Dem Institute 2022: 6.
17 V-Dem Institute 2022: 12.
18 V-Dem Institute 2022.
19 EIU 2022.

Table 1: EIU Democracy index by regime types (2022)

	No. of countries	% of countries	% of world population
Full democracies	24	14.4	8.0
Flawed democracies	48	28.7	37.3
Hybrid regimes	36	21.6	17.9
Authoritarian regimes	59	35.3	36.9

Note: "World" population refers to the total population of the 167 countries and territories covered by the Index. Since this excludes only micro states, this is nearly equal to the entire estimated world population.
Source: EIU

In 2022, 45.3% of the world population lives in full and flawed democracies but only 8% in full democracies, while 17.9% in hybrid and 36.9% in authoritarian regimes. While in 2006 51.3% of the world population lived under some sort of democracy (full or flawed) and 13% in full democracies. (United States of America also fall out of the category of a full democracy in 2016.) In other words, the number of people living in democracies has been steadily decreasing. However, the number of people who live in hybrid or authoritarian regimes has been increasing. It was 48.4% in 2006, and it is 54.8% now. Nevertheless, in the aggregate ratio, the number of people living in hybrid regimes has increased significantly, while the number of people living in authoritarian regimes decreased slightly since 2006.[20] Although the democracy indices can be criticised for their data collection and datasets as well as their applied methods, they do support the assumption that democracies are in decline worldwide and the number of people living in democracies has been steadily decreasing.

Geopolitics, security concerns and securitisation

From a geopolitical point of view, the most likely scenario for the coming years is that the international system will continue to move towards a post-hegemonic world order.[21] In particular, through a process wherein the hegemonic power of the former hegemon – the U.S. – is challenged in the various areas (political,

[20] EIU Democracy Index by regime types, 2006, 2022.
[21] Callahan 2008: 749–761; Vezirgiannidou 2013: 637–651.

economic and military power, also diplomatic influence and model value), as well as its former hegemonic role at the global and/or regional level. Consequently, the hegemon and its allies are unable or unwilling to maintain the previous international power structure.[22] They do not want to uphold it as it already serves their opponents better and the 'cost' of maintaining it remains mainly on their shoulders, or they cannot maintain it, because their challengers are simply stronger advocates. The main actors in this process will be the powers and states defending or challenging the status quo. Challenging the status quo can take place in different dimensions – e.g. territoriality, system of rules, ideological theorems, functioning and the mere existence of institutions, etc. – and by different means – e.g. economics, diplomacy, war and proxy war, hybrid means, etc.[23] The most important conflicts of the near future will take place between these actors, and since the dependency on globalisation in the event of such conflicts carries serious risks (see Europe's position in the Russia–Ukraine war and its dependency on Russian energy), the de-globalisation and the elimination of the resulting dependency will be one of the main concerns of the major powers involved in the conflicts. Although the pace of change and the conflicting nature of the post-hegemonic world order will depend on many factors, in particular on the extent to which its actors revert to spheres of interest politics and post-hegemonic wars waged by major powers (e.g. Russia–Ukraine), it seems certain that in order to avoid direct war between major powers, the opposing parties will resort to hybrid threats more often than in the past.[24] The latter is understood as a set of military and non-military means and methods, whose coordinated use makes it possible to impose the will of the aggressor on the target state. The non-military toolbox of hybrid threats may include political, diplomatic, administrative, economic, financial, energy, information, cyber, intelligence, terrorist and criminal pressure, pressure on critical infrastructure, the use of radical social groups, political forces and movements, mobilisation of national and ethnic minorities, artificially triggering a migration wave, etc. It is important to note, that non-military hybrid instruments can also be asymmetric instruments, and are therefore present in the toolbox of non-state actors and weaker state actors (Iran, North Korea) as well, not limiting hybrid conflicts to major powers. Hybrid threats also include the use and threat of use of irregular

[22] Ikenberry 2018: 15–29; Juutinen–Käkönen 2016.
[23] Cooley–Nexon 2020; Kailong 2022.
[24] Sinkkonen 2022: 121–131; Bargués et al. 2022.

armed groups, private military companies and regular armed forces. In other words, in the post-hegemonic era, global or regional geopolitical actors may more often use hybrid threat instruments such as:

- the use of information and communication technologies to achieve geopolitical objectives
- the use of externally financed and controlled radical social groups, political forces and movements to artificially induce migration flows in order to destabilise the socio-political situation in a country
- the use of covert humanitarian activities
- the increased involvement of irregular armed groups, private military companies and civilians
- increased activities of foreign secret services
- the use of fabricated propaganda, deniable forces, intelligence, mobilisation of minorities in enemy territory
- terrorism

In parallel with the growth of hybrid threats, the role of resilience in national and international security policy is increasing.[25] In other words, the set of capabilities of the state, society and individuals that enable them to face and respond effectively to hybrid threats, and to resist effectively and restore rapidly the working order in the event of an open armed attack, natural disaster, or damage to vital system elements. A key element of strengthening resilience will be whole-of-government and whole-of-society preparedness, including strengthening military capabilities.

Climate change and the environment

Negative trends in climate change and environmental degradation will continue in the coming years, even if the steps and processes that had been initiated to curb them continued at an optimal pace, which, based on our experience so far, is unlikely. In practice, this means that even in the most optimistic scenario, the only success will be in reducing the scale and pace of climate change and environmental degradation, mitigating their effects, and adapting effectively to the changes they bring about. In other words, we must continue to expect

[25] Jacobs et al. 2022: 3–19.

rising temperatures, melting ice sheets at the North and South Poles, rising sea levels and flooding of coastal regions. As a result of climate change, extreme weather events such as storms, floods, heat waves, droughts and forest fires will continue to occur more frequently and more intensely in the coming years. Meanwhile, we can also expect that climate change and environmental degradation, and the mitigation of their effects, will be increasingly seen by societies as a security issue and thus as a political priority. This is illustrated by the fact that while in 2011 only 3–5% of the EU population had considered climate change to be the most important European problem,[26] by 2021 this figure rose to 25–26%.[27] Indeed, a survey published in June 2021 showed that European citizens considered climate change to be the most serious problem facing the world. More than nine out of ten people surveyed considered climate change to be a serious problem (93%), while almost eight out of ten (78%) considered it to be very serious.[28] When asked to choose the single most serious problem facing the world, more than a quarter (29%) chose a problem related to climate change and environmental degradation: climate change (18%), the degradation of nature (7%) or health problems caused by pollution (4%).[29] A particular issue is that climate change and environmental degradation are also key issues when it comes to examining the so-called interlinking effects and addressing the threats and tensions that arise from such effects. It is a long-standing phenomenon that climate change and environmental degradation not only have the potential to cause cataclysmic events, but that they can, when combined with other – demographic, ethno-political, economic – trends, also amplify and feed tensions already existing in other dimensions of security. They could, for example, have a decisive impact on our health and food security, exacerbate and escalate the struggle for resources into armed conflict, or trigger mass migration.[30] And they can do so with far-reaching effects, regardless of how and to what extent a particular region is affected by the direct consequences of climate change and environmental degradation. It is important to emphasise that developing countries are in an increasingly vulnerable position in the midst of growing competition for resources and raw materials, because major powers are able to exploit them

[26] European Commission 2011: 35.
[27] European Commission 2022c: 23.
[28] European Commission 2021b: 7.
[29] European Commission 2021b: 9.
[30] Liu 2016; Marsai 2021.

by confronting local elites and certain (ethnic) groups with the broader society, while the environmental burden is borne by local communities.[31] We must also see that the costs of technological development and energy transition can be borne much more easily by developed, modern (industrialised) societies than by underdeveloped, poor ones. In other words, fragile states, especially in Africa, are in a particularly difficult position in this respect. For all these reasons, climate change and environmental degradation may be a particularly attractive area for those seeking to use hybrid threats. For them, the effects of climate change and environmental degradation provide a broad spectrum of vulnerabilities that promise complex and far-reaching consequences, if exploited. The tools and methods of hybrid threats can also be very broad. From the denial of climate change and amplification of climate sceptic voices, to attempts to weaken trust in the state and state institutions, and thus undermining social resilience, or in extreme weather events and in emergencies caused by environmental degradation, to the deliberate deepening of threats and tensions caused by interconnection effects. To make matters easier for those who pose hybrid threats, both climate change and hybrid threats are controversial phenomena, and are very often viewed with scepticism by local populist politicians and political movements. On the other hand, the other major obstacle to tackling the hybrid threat is that social resilience to climate change and environmental degradation should be developed and strengthened while avoiding oversecuritisation, which could lead to mass climate distress, climate depression and climate panic,[32] which could also help those who want to pose a given hybrid threat.

Connectedness

The rapid growth in global trade and globalisation in general has changed many aspects of the global economy, international business, and also rearranged the global distribution of economic output. Globalisation in its heydays was supported by a relatively stable geopolitical order. In the last 10 or so years, this order seems to show ruptures, the sophisticated, therefore vulnerable global economic web, supported by complex global value chains cannot take long-term geopolitical stability as a given factor. Another game changer is the rapid

[31] Piketty 2015.

[32] Warner–Boas 2017: 203–224.

emergence of Artificial Intelligence (AI); as a clear game changer, AI systems are disrupting markets, legal rules and principles that could be used so far.[33] AI will have major impacts on the global and local labour markets as well. The Council of Europe defines AI as a set of sciences, theories and techniques whose purpose is to reproduce by a machine the cognitive abilities of a human being. The development of common sense, reasoning and problem-solving skills in machines is a very difficult task, which is why AI combines research in a wide variety of fields. John R. Searle (1980) introduced the definitions weak AI (Artificial Narrow Intelligence, Weak AI) and strong AI (Strong Artificial Intelligence). In the case of weak AI, intelligence is only a "semblance", but we do not know whether it has a mind or not. A strong AI is a system that really thinks, has an independent consciousness. By 2050, we should expect human-like AI robots to 'live' with people in many areas. It will be in the interest of mankind to live in harmony and work with it. In the legal regulation of artificial intelligence technologies, in addition to a wide range of rules on legal responsibility, a number of open issues remain: the benefits and risks of its use, what ethical issues arise in the case of a malfunctioning AI, who is responsible, whether the protection of privacy can be ensured, whether the full spectrum of risks and damages can be covered by legal mechanisms, whether AI can be considered a legal entity from a moral and practical point of view, etc. The recognition and wording of application problems puts lawyers under "coercion of legal development".[34] More than twenty-five states announced their AI strategy or published plans for future strategies, including the United States, Russia, China and India. Many plans focus on maintaining a competitive advantage in the emerging AI market, although many also take into account the ethical and security aspects of promoting AI.[35] The rapid development of information technologies, based on globally connected infrastructures, hardware networks elevated to a whole new level by AI may radically change several aspects of the economy, the society, the world of labour, some aspects of human behaviour and even political dynamics. The heightened global interconnectedness and as a consequence extremely long and complex value chains may render international trade vulnerable and even minor disruptions by adversarial actions may induce serious repercussions.

[33] Bostrom 2014.
[34] Keserű 2020: 199–220.
[35] Nash 2019.

More vulnerable individuals – identities and identity politics

It may seem that megatrends are such large-scale processes that individuals, the smallest actors in political systems, do not perceive much of them. But this is not the case. What political party or social movement we feel close to, how we vote at elections, what we think about a war or a crisis, which policy reforms we prefer, what print or online media we consume, what products we buy, are all determined by our identity.[36] Fukuyama in his 2018 book argued that "the inner self of dignity seeks recognition".[37] Individuals demand public recognition of their world. Identity politics has become of crucial importance in our time. "Identity politics encompasses a large part of the political struggles of contemporary world, from democratic revolutions to new social movements, from nationalism and Islamism to the politics of contemporary American university campuses."[38] All forms of social actions are built around collective identities. The distribution of public goods and the mobilisation of different social groups require a distinction between the categories of 'us' and 'them'. There has been an increasingly strong articulation of identities in the manifestos of political parties, in the speeches of political leaders and in the decisions of voters. Further, the persuasiveness of policy arguments based on rational calculations, of measures based on economic considerations and rigorous calculations, is being overshadowed by emotional and less rational influences. The individual votes for a party and supports a movement that he or she perceives as similar to his or her own group. The collective identity of the individual thus determines his/her actions. Some authors also suggest that there is a close link between the rise of different patterns of populism and identity politics, due to the fact that identity messages are also embedded in the anti-elitist attitudes of social groups.[39] The strengthening of identity politics is, however, not only evident in the actions of populist leaders and parties – though certainly in theirs – but can be seen as a general phenomenon in the increasingly polarised societies of the 21st century, where individuals are looking for firm references for their identifications.[40] One of the most powerful tools of identity politics is storytelling,

[36] Koller 2022: 365–376.
[37] Fukuyama 2018: 10.
[38] Fukuyama 2018: 10.
[39] Velasco 2021: 1–8.
[40] Koller 2022: 365–376.

collective action wrapped in narratives. Frederick W. Mayer argues that it is precisely the shaping of individuals' identities that makes narratives effective.[41] Based on a constructivist perspective, for political parties, leaders, media actors, narratives are in fact also facilitators of the creation of symbols and myths.[42] A well-conceived, constructed narrative precisely frames the group boundaries of 'us' and 'them', guides individuals in judging 'right' and 'wrong', by answering the basic questions of existence, and thus creating continuity. However, narrative is itself a product, which the opinion leader, who plays a key role in identity construction, can also misuse. It is a product that has power and/or economic value. The narrative is used by the politician to maximise votes and forge political capital, by the journalist and the editor to enhance reputation and viewership, by the economic actor to promote consumer choices. However, narrative can also be a dangerous tool, since it is by framing, constructing and demarcating group boundaries that it is ideally suited to fear and hate mongering, to fostering a sense of insecurity, to labelling enemies or allies, and to packaging disinformation that can lead to persistent antagonism and group conflict between social groups within and outside the states. In a world shaped by megatrends it is necessary to look beyond one's own communities in order to enable collective action, it is particularly important to understand how and what forges or breaks up communities. To do this, we need to understand the process of identity formation and the tools of identity politics used and misused in our time.

Conclusion

Megatrends are evidently shaping our future, thus understanding their nature is essential to draft suitable policy plans. Demographic trends and ageing populations lead to both economically and environmentally unsustainable situations that significantly affect societies and require new policy answers from the states. Migration from insecure and poor regions to more wealthy territories, such as the European Union or the USA will be a long-term reality. There is a major realignment taking place in the global economic power equilibrium too, and geopolitical and security considerations are getting ever more important in the global economic policy decisions and practice. The world is in a democratic

[41] Mayer 2014.
[42] Anderson 1991.

recession and democratic decline is apparent in Asia-Pacific, Eastern Europe and Central Asia, Latin America and the Caribbean. Fewer people leave in full democracies than before. At the same time, the international system moves towards a post-hegemonic world order, where the hegemonic power of the former hegemon – the United States – is challenged in politics, economics, diplomacy and military. The negative trends in climate change and environmental degradation will continue in the coming years, despite efforts by states and other international actors to control them. The emergence of Artificial Intelligence (AI) disrupts markets, legal rules and affects politics and the ways of life of the people in the widest sense. Individuals become more vulnerable and are exposed to manipulations and misuse of identity politics.

Questions

1. How will the world population change in this century?
2. What challenges do ageing societies pose for countries?
3. Who are the most powerful players of world economics? Where are the division lines?
4. What does the trend of democratic backsliding mean?
5. Why are climate change and environmental degradation attractive areas for those seeking to use hybrid threats?
6. What are the characteristics of a post-hegemonic world order?
7. What are the consequences of the massive technological change and the emergence of AI?
8. What can be the threats of misusing the tools of identity politics?

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