



A More Fragmented World


THE RARE CONFLUENCE of geopolitical, economic, and technological forces now confronting the world may reverberate for generations. The war is thrusting us into a fraught period of geopolitical realignment, supply disruptions, food and energy insecurity, and more volatile financial markets. These shocks could shake social and political stability in some countries while weakening the world's ability to confront its foremost long-term challenge, climate change.

The IMF's Pierre-Olivier Gourinchas describes a sudden geopolitical shift that reveals hidden fault lines. He warns of a world fragmenting into "distinct economic blocs with different ideologies, political systems, technology standards, cross-border payment and trade systems, and reserve currencies."

With this issue we convene respected thought leaders to help us understand these trends—all playing out amid a slowing global recovery, rising inflation, and shrinking policymaking space—and how we can best respond.

The war in Ukraine poses the most immediate risk. Nicholas Mulder argues that sanctions against Russia have unprecedented consequences that should prompt a rethink of their use as a weapon of economic warfare. Giovanni Peri discusses the economic impact of refugees fleeing Ukraine. "Picture This" depicts the food crisis that threatens millions with hunger. Other contributors see soaring war-induced energy prices as a chance to spur the transition to green energy. And while some predict that geopolitical competition and new technologies will end the dollar's dominance of international finance, Eswar Prasad argues the opposite: it will become more entrenched as the global go-to currency.

A more fragmented world, says Singapore's Tharman Shanmugaratnam, makes greater investment in global public goods even more urgent—and will require unprecedented public-private collaboration and a stronger, more effective multilateralism.

There is hope. As historian Patricia Clavin reminds us, turbulent times can energize actors and ideas that can lead to better modes of cooperation. The overriding priority, says Shanmugaratnam, is to "accommodate a multipolar world without becoming more polarized." 

GITA BHATT, editor-in-chief



ON THE COVER

Illustrator Peter Reynolds' cover calls to mind the complexity of policymaking in today's more polarized and fragmented world—a topic that our June 2022 issue explores in depth.

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