

**NEW MACRO RISKS**

**SPECIAL REPORT:  
TRANSNATIONAL  
THREATS AND THE  
2020 ELECTION**

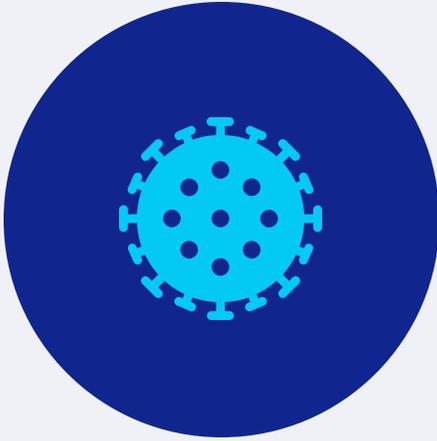
An analysis of the 2020 presidential election's implications for nonstate risks. Updated October 2020.

**This is a special report from New Macro Risks in advance of the 2020 election. Subscribers will receive full access to a detailed report on the incoming administration in January 2021.**

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# Strategic insight into the threats shaping the world



**INFECTIOUS DISEASE** can  
upend modern life



**ORGANIZED CRIME** is more  
pervasive and dangerous



**TERRORISM** has faded from  
the news, but it isn't gone



**MIGRATION CRISES** have  
reached historic proportions



**WMD** are easier to build or  
buy than ever



**CYBERSECURITY** for most  
organizations isn't keeping up



**NATURAL DISASTERS** are  
more frequent and intense

# NEW MACRO RISKS

## About Us

**Alan Bersin** served as the Assistant Secretary for Policy & International Affairs and Chief Diplomatic Officer at the U.S. Department of Homeland Security. His prior federal appointments include service as the Commissioner of U.S. Customs and Border Protection, the Special Representative for Border Affairs at DHS and previously (in the Department of Justice) as U.S. Attorney for the Southern District of California. Between 2012 and 2015, Alan served as Vice President of INTERPOL for the Americas Region and as a member of the INTERPOL Executive Committee. Alan is a fellow at the Wilson Center, Harvard Kennedy School's Belfer Center, and Aspen-Mexico.

**Nate Bruggeman** is a fellow in the Homeland Security Project at the Harvard Kennedy School's Belfer Center and the Executive Editor of its Homeland Security Paper Series. Nate served as Counselor to the Special Representative for Border Affairs at the U.S. Department of Homeland Security. He then moved to U.S. Customs and Border Protection as a Counselor to Commissioner. Nate has also practiced law, most recently as an Assistant Attorney General in the Colorado Department of Law.

**Ben Rohrbaugh** is the author of *More or Less Afraid of Nearly Everything: Homeland Security, Borders, and Disaster in the Twenty-first Century*. He is a fellow in the Central America and Mexico Policy Initiative at the Robert Strauss Center for International Security and Law at the University of Texas-Austin. He is the co-founder and CEO of Lantern UAS, which develops autonomous systems for supply chain security. From 2014 to 2016, he served as the Director for Enforcement and Border Security at the National Security Council in the White House. Before the White House, Ben worked as a Senior Advisor to the Commissioner of U.S. Customs and Border Protection.

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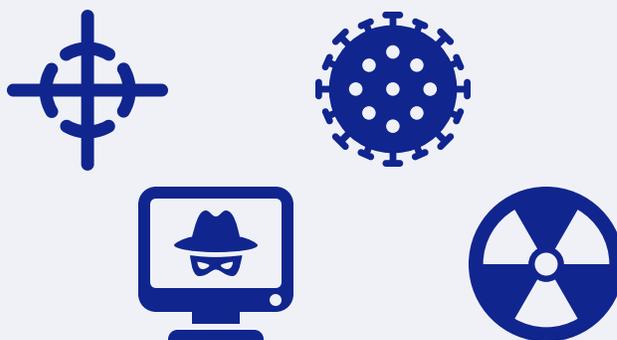
# Introduction

## Nonstate risks are poised to overwhelm the next administration

American national security is at a transition point: the nonstate threats that have escalated in recent decades are becoming more dangerous at a time when military budgets and the country's strategic focus are being reoriented towards the reemergence of great power conflict.

The world is being shaken by nonstate threats as the 2020 U.S. presidential election approaches. *In just September of 2020, we experienced the worst pandemic in a century; a hurricane season with the fastest ever progress through named storms; reports of large-scale cyber election interference; record wildfires in California, Washington, Colorado, and Oregon; revelations of massive organized crime money laundering through financial institutions; ongoing mass migration crises in North America and Europe; and a material escalation of the domestic terrorism threat in the context of widespread demonstrations.* The two candidates for president have made clear that they would take dramatically different approaches to these challenges.

*The risks that have caused the largest disruptions recently have not been geopolitical possibilities but stateless threats, particularly **infectious disease, terrorism, weapons of mass destruction, migration crises, cybersecurity, organized crime, and natural disasters.** The ways in which the incoming administration responds to nonstate risks in the next few years will have a major impact on the private sector.*



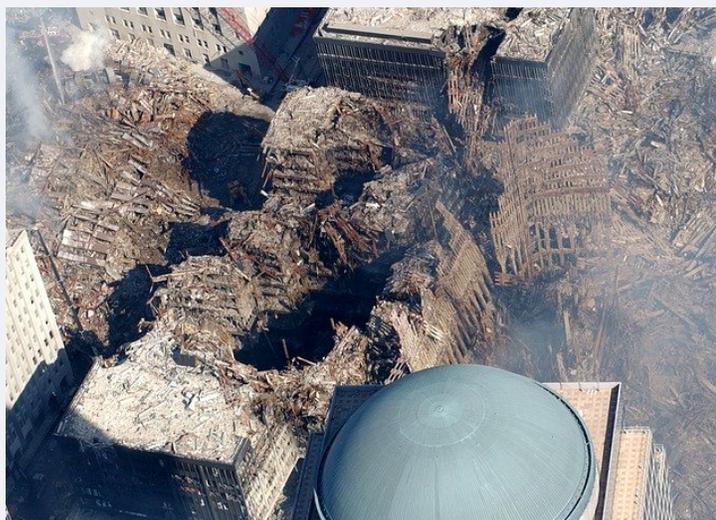
Nonstate threats are directly challenging existing government systems. Traditional national security structures were not built for stateless threats, and as great power conflict has returned, government systems are refocusing on nation-state security challenges. Thus, the national security establishment has fewer resources, incentives, and time to focus on nonstate threats. The civilian homeland security enterprise is comparatively nascent. Government is therefore incapable, because of resource constraints and capacity issues, of fully meeting the challenge, which highlights the importance of situational awareness and strategic planning for the private sector. Regardless of who is elected, the next administration will continue to be hindered by the strategic weakness inherent in a polarized and divided country.

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*Companies and markets are being dramatically affected by nonstate threats. Because the private sector will have to do much more to ensure its security than it has before, it is more important than ever that these types of risks are incorporated into strategic planning and risk assessment. This report provides important context for executives to evaluate the implications of the 2020 presidential election and its possible effects on business.*

# Profound divergence between the candidates

In the decade and a half following the trauma of the 9/11 attacks, there was more continuity in the U.S. government's approach to nonstate threats than is often appreciated. While there were stark differences between the Obama and Bush administrations on specific issues like the treatment of terrorism detainees, the structure and strategy in areas like counterterrorism, border security, and cybersecurity was fairly consistent. This is in contrast to the dramatic differences between the administrations in other areas like military intervention.



***The shift from the Obama administration to the Trump administration, however, has caused comprehensive changes in the U.S. government's approach to emerging threats. Similarly, the differences between the strategic approaches of President Trump and Vice President Biden are enormous and will have wide-ranging impacts.***

We have ample evidence of what each nominee's likely approach to nonstate threats will be over the next four years. President Trump has a clear track record, and the response to COVID-19 has highlighted his approach to nonstate threats of avoiding federal responsibility. Vice President Joe Biden had a prominent role in the Obama administration as it dealt with challenges from the H1N1 and Ebola outbreaks to the southwest border migration crisis beginning in 2014, and his platform indicates a large level of continuity with the Obama-era approach to these risks, which brings its own advantages and disadvantages. Either administration will be handicapped by polarization and legislative paralysis.

New Macro Risks is well qualified to evaluate this strategic contrast. We are top experts from government and academia, including at the White House, the Department of Homeland Security, Harvard Kennedy School, and the University of Texas-Austin. Our Chairman, Alan Bersin, served as Assistant Secretary for Policy & Chief Diplomatic Officer in the Department of Homeland Security and as Commissioner of Customs and Border Protection.

# Trump 2.0: Personality-driven nationalism meets global threats

Nonstate risks have proven to be problematic for the Trump presidency. A series of crises have buffeted the administration, including the southwest border migration surge of Central Americans transiting Mexico, Hurricanes Maria, Harvey, and Irma in 2017, and, most recently and consequentially, the COVID-19 pandemic. The characteristics of the Trump administration's strategic approach to nonstate risks are:



Administration response reflects an underlying "America First" perspective on threats and priorities, which are further shaped by the President's personality and views.



Decision-making is closely held with the President and the people immediately around him, and decisions are made much more quickly than in other administrations.



The initial response to the COVID-19 crisis was to focus federal efforts on external threats through on a travel ban and then border controls, and to push response responsibility to states and localities (e.g. no initial national personal protective equipment (PPE) strategy, delayed deployment of DOD medical assistance).



COVID-19 demonstrates outward facing focus of the Trump administration, through their emphasis on blaming the pandemic on China, and the expectation that states and localities are primarily responsible for domestic response.



Trump's focus is on "foreign"/national threats (e.g. the focus on COVID-19 coming from China and threats from migrants) at the expense of domestic threats (e.g. natural disasters, domestic terrorism).



This combination has resulted in a focus on competition and conflict with other nation-states, including traditional allies, with less federal priority given to nonstate threats or closing vulnerabilities that make them increasingly dangerous. Threats continue to grow.



Agency leaders, particularly in places focused on nonstate risks like the Department of Homeland Security and the Director of National Intelligence, are often acting and inexperienced; their importance is secondary as everything is White House-centric.



The private sector should anticipate a continuation of the kinds of outcomes that have been seen in the first term. The avoidance of federal responsibility means companies will have to plan for and prepare to mitigate additional disruptions.

# From Obama-Biden to Biden-Harris

The overwhelming priority of a Biden administration will be a "return to normalcy," which in the context of nonstate threats will mean quickly establishing a federal government-driven COVID-19 response, reestablishing a traditional policy and coordination mechanism through the National Security Council, and appointing senior officials with substantial prior government experience.



A Biden administration will look to reverse the significant changes of the Trump administration and return to processes that were in place under President Obama.



This will mean much more deliberative White House-led policy and coordination processes through a powerful National Security Council. While policies will be thoroughly coordinated and reviewed, decisions will likely be slower to achieve consensus from across affected departments/agencies.



In the immediate term, the administration will focus on the public health and economic impacts of COVID-19, with the Biden response likely led by a senior official as "COVID Czar" supported by the NSC.



Other than COVID-19, it is likely that the administration will prioritize the nonstate threats that presented during the Obama years, which will mean responding to any migration crisis on the southwest border, cyber election interference, natural disasters, and counterterrorism efforts.



Additional nonstate threats such as organized crime, cyber vulnerabilities, and the spread of weapons of mass destruction will be lower policy priorities and will likely continue to proliferate as nonstate threats given the lack of leadership bandwidth.



Substantial pressure from left-leaning congressional Democrats and activists to reverse all Trump-associated policies may limit and compromise President Biden's crisis response options. Law enforcement politicization under Trump causes management challenges.



There will be particular tension around migration enforcement, as immigration rights activists demand wholesale reversal of Trump policies. A significant crisis at the border is a possibility, as described in the migration section.



For the private sector this will mean forceful federal action addressing the identified priority areas accompanied by increased regulatory activity and a discontinuation of the *laissez faire* and rollback approach of the Trump administration.

# Organization and Structure

The Trump administration has not favored use of formal White House mechanisms like the National Security Council. Authority has been concentrated with the President and a few aides, and decisions are made quickly and with little interagency coordination. President Biden would likely institute a formal staffing and policy structure, in which he plays a less personal role in driving policy formation and execution. We anticipate him nominating a strong Chief of Staff and National Security Advisor, supported by a reinvigorated National Security Council. There will almost certainly be a COVID-19 “Czar” located in the White House organization.



The Situation Room of the White House, Dec. 30, 2011.  
(Official White House Photo by Chuck Kennedy)

## *Trump Administration*

## *Biden Administration*



### WHITE HOUSE ROLE

- Decision-making is consolidated with the President and close advisors
- Weak National Security Council, which has little influence on decisions
- Homeland Security Advisor role likely remains vacant
- Domestic Policy Council, led by Stephen Miller, remains a major power center

- National Security Council returns to being major power center
- Influential Homeland Security Advisor
- COVID Czar likely appointed within the White House
- Major focus on reinstating rigorous coordination processes for national security decisions



### HOMELAND SECURITY ENTERPRISE

- Homeland security and key counterterrorism posts filled by acting officials; focus on loyalty over relevant experience
- Continued aggressive insertion of political decision-making into homeland security operations
- Immigration is the priority focus

- Focus on nominees with government experience for key posts, though vetting may slow filling positions and inhibit early aggressive action
- Pressure from activists to disband or limit DHS and reverse Trump initiatives
- Expanded focus beyond migration and more aggressive emergency response



### DISEASE/MEDICAL RESPONSE

- Authority remains unclear and shifting, and there is not a single official with clear responsibility for COVID-19
- The key decision-makers continue to be the President and close advisors like Jared Kushner
- Tension between the White House and public health officials at HHS/CDC/NIH

- Much more influence for the Department of Health and Human Services, and particularly the Centers for Disease Control and Prevention and National Institutes of Health
- COVID response is likely to be closely managed by the White House and through the Czar and NSC

# Infectious Disease

The response to the COVID-19 pandemic will dominate the next year at least. President Trump has been infected yet continues to minimize the threat, with a response marked by unclear lines of authority and emphasis on state responses. In a second term, especially after announcing a vaccine, the administration will attempt to "move on" regardless of continued risk. A Biden administration would focus intently on its COVID-19 response, and it would likely respond using similar structures and processes to those used during the H1N1 and Ebola response, although COVID-19 is much more widespread and a different level of threat. Our *Post-Pandemic Futures* report, available now to subscribers, addresses possible government reform efforts.



## Trump Administration

## Biden Administration



### COVID-19 RESPONSE MANAGEMENT

- Public attention is focused on the White House while decisions are pushed to the state level
- Previously responsible entities such as HHS/CDC/NIH continue to be sidelined
- White House attention pivots to other issues and particularly Chinese culpability

- Response will be centralized and likely led by a White House COVID-19 Czar with clear presidential authority
- Aggressive federal policy action
- Substantial early coordination challenges around implementation of policy decisions



### VACCINE DEPLOYMENT

- Intense focus on vaccine development, accompanied by controversy around alleged politicization of safety and approval processes
- The military and states will be responsible for vaccine deployment; however, vaccine deployment is likely to be chaotic and fragmented

- Policy prioritization of vaccines and avoidance of politicization of development timelines
- Leverage officials experienced with coordinating national medical response to try to organize patchwork of federal, state, and private health care providers
- Daunting logistical challenges remain



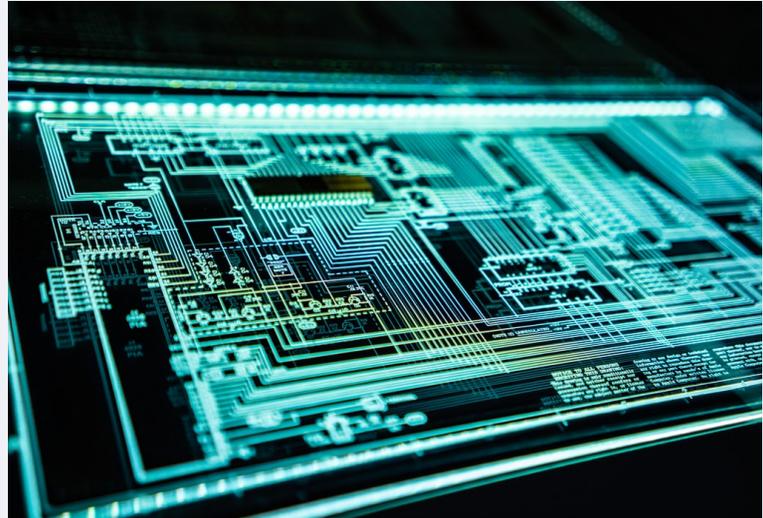
### EMERGING DISEASE THREATS

- Exhaustion from dealing with COVID-19, and interest in "turning the page," will lead administration to focus elsewhere
- Resistance to review of administration's COVID response, and unlikely to support comprehensive revision of the process
- Antagonism to multilateral coordination through the WHO will continue

- Reconstitution and expansion of the NSC disease directorate with ambitious plans to prepare for the next pandemic
- Review COVID-19 response to reform federal mechanisms and increase public health resources
- Reengage with WHO and allies, though mechanisms' weaknesses remains

# Cybersecurity

Cybersecurity remains a major vulnerability and the structural obstacles to an effective response have been consistent for decades: critical infrastructure is controlled by private companies, in competition, with attendant coordination challenges. The government, meanwhile, has focused on offensive capabilities and particularly the National Security Agency and U.S. Cyber Command, which means the most capable federal actors are legally prohibited from addressing the vulnerabilities to domestic networks. As a result, cyber vulnerabilities will remain a major problem in the next administration regardless of the election outcome. The forthcoming New Macro Risks report on cybersecurity will address these vulnerabilities and the strategic context in detail.



## *Trump Administration*

## *Biden Administration*



### ELECTION INTERFERENCE

- Political and personal concerns lead the White House to obfuscate and largely ignore the election interference issue
- Responsibility will fall on states to improve security without the resources to effectively implement changes
- Foreign hackers will be emboldened after facing few consequences

- There will likely be an aggressive response to election interference
- This will include confrontation with Russia, going beyond the 2016 expulsions and sanctions, and resuming cooperation with traditional allies
- State-level election infrastructure, however, may remain vulnerable



### CYBER VULNERABILITIES

- Unlikely there is an effort to reform federal cyber posture absent a major security breach/incident
- Cyber responsibilities remain dispersed across different agencies, with most resources going to the NSA/military
- Continued major breaches of government and private systems

- Greater emphasis on addressing vulnerabilities, but still piecemeal
- Most resources will remain DOD/NSA
- Debate around whether responsibility for civilian cybersecurity should stay with DHS and level of regulatory action
- Continued major breaches of government and private systems



### PRIVATE SECTOR REGULATION

- May proceed with targeted antitrust and other measures against social media companies due to perceived bias against the President and conservatives
- Other high profile controversies, like the Tik-Tok application, will be driven by geopolitical confrontations, trade policy, and other concerns

- Confrontation between the government and major technology companies is increasingly likely (e.g. antitrust actions, new privacy regulations)
- Likely approaches cybersecurity through a voluntary cooperation model with limited success in achieving substantial change

# Organized Crime

Transnational crime has outpaced the ability of governments and multilateral organizations to grapple with its impacts. Enabled by technology and international financial, trade, and travel networks, criminal groups threaten the private sector on a previously unimagined scale. With the exceptions of Mexican and Colombian cartels, organized crime has not received substantive policy attention during the last two decades. We do not anticipate either administration adopting a new strategic approach. Rather, policy responses will depend upon the political salience of specific issues and public attention. Even then, responses will mostly follow the traditional approach of reallocating investigative and prosecutorial resources rather than applying a different strategy.



## Trump Administration

## Biden Administration



### OVERALL RESPONSE

- Combatting organized crime has not been a significant priority; National Vetting Center is the most high-profile action to date
- DOJ continues to drive government response through investigations and prosecutions
- Little further White House attention

- Increased White House/NSC interest, but no strategic changes as attention focused on law enforcement reform
- DOJ remains the critical player, no major reform of existing structures
- Under political pressure to reallocate resources from narcotics enforcement to prevention and treatment



### INTERNATIONAL PARTNERSHIPS

- Resistance and hostility to international engagement hampers cross-jurisdictional work
- Continued coercive approach with Mexico and Central America will likely continue; may work in the short term but mid- and long-term disadvantages
- Primary lens is illegal immigration

- Reembraces international partnerships and engagement, but with traditional focuses and institutions
- Foreign aid package for Central America led by State Department, limited near-term impact
- Restarting cooperation with Mexico faces disinterest from Mex. President



### MONEY LAUNDERING AND WHITE COLLAR CRIME

- Highly unlikely this will be a focus during the second term
- Cases driven by specific investigations and U.S. attorney interest
- Despite revelations of massive money laundering through financial system, strong deregulatory philosophy undermines/prevents response

- Significant pressure to crack down on money laundering and sanction banks that transact with criminal groups, but the impact will be limited by concern over effect on banking sector
- Administration is likely to support increased regulatory scrutiny, cases driven by specific investigations

# Terrorism

The Trump administration had an initial focus on the ISIL threat and removed limitations on special operations, but after early military-led successes, the administration's interest in terrorism waned. Former counterterrorism officials have warned of a lack of focus and loss of institutional capacity, as well as downplaying the domestic terror threat. The critical challenge facing either administration will be dealing with the escalating risk of domestic terrorism, particularly in the aftermath of a contested election and continued public demonstrations with opportunities for confrontations and violence between opposing groups.



## *Trump Administration*

## *Biden Administration*



### PRIORITIZATION

- Following aggressive military action against ISIL, focus has shifted to state sponsors of terror, particularly Iran, with less attention to nonstate groups
- Continued use of acting officials in key leadership roles
- Continued departures of career officials

- Focus on reconstituting Obama national security apparatus and rebuilding career executive cadre
- Reprioritize cross-government coordination processes, particularly the NSC and NCTC
- COVID response and likely migration crises tax senior leadership attention



### DOMESTIC TERROR THREATS

- Tacit acceptance emboldens far right and white nationalist groups
- Tensions between political appointees and career officials over the threat
- Continued terror events, likely lone wolf attackers against civilian targets and possible violent attacks around demonstrations

- Substantial change in resources and tone around domestic terror threat, in particular white supremacists
- DOJ, FBI, and DHS directed to prioritize these investigations
- Work to reinvigorate relationships with police and emphasize community policing



### INTERNATIONAL ENGAGEMENT

- Less engaged in counter-ISIL efforts as troops are withdrawn and efforts left to others, drawdown weakens U.S. posture
- Middle East policy increases some risks (Iranian conflict and proxies) and reduces others (relationship with Saudi Arabia and Israeli-UAE )
- Anti-Muslim rhetoric engenders anger

- Skepticism about the Saudi regime, and attempt to return to 2015 Iran deal
- Greater attention to mitigating rebuilding of ISIL and al-Qaeda
- Focus on Five Eyes and other allies; repairing relationships, but pushback against anti-democratic regimes

# Migration Crises

Mass migration events are roiling politics and overwhelming processing systems in the United States and Europe, as the world is experiencing the largest movements of displaced people since the aftermath of the Second World War. Immigration is a flashpoint in the election, as the Trump administration has turned to controversial domestic policies (e.g. family separation, border wall) at the southwest border and engaged in coercive diplomacy with Mexico and Central America. Vice President Biden would take a very different approach, and he would face serious pressure to reverse Trump immigration policies before reforming the asylum system. There could be a major crisis if large numbers of migrants surge to the border with a new administration.



## *Trump Administration*

## *Biden Administration*



### THE BORDER WALL

- Trump would continue to push for his signature campaign promise, as little new fencing has been constructed
- In a second term, efforts to bypass legal restrictions would escalate as Congress will not provide funding
- Increased state-level tension following push to condemn private land

- The Biden administration will immediately rescind declaration of national emergency and end the reallocation of military and other diverted funds to the wall
- Halting of contracts for construction, and reviews of fencing that was build for possible mitigation



### REFUGEE PROCESSING

- Severe restrictions on refugee admissions
- Absent court losses, the administration will continue policies that effectively prevent Central Americans from seeking asylum
- Continued reliance on Mexico to control flows of asylum seekers to U.S.

- Refugee targets would revert to Obama-era levels of over 100,000
- Asylum system remains migration draw
- Acceptance and processing of Central American asylum seekers, but would remove those whose claims are denied
- Risk of crisis if Central Americans surge to border with a new administration



### MEXICO AND CENTRAL AMERICA

- Tense relationship with Mexico, as administration continues to coerce it to stop asylum seekers, and new tensions if a surge in Mexican migration occurs
- No meaningful foreign aid program for Central America, and continued push to return Central Americans despite home-country conditions

- Increased long-term aid for Central America focused on capacity and economic development
- Attempt a return to cooperative border management philosophy with Mexico, likely disinterest from Mex. President
- Return to State Department-led engagement

# Weapons of Mass Destruction

Weapons of mass destruction (nuclear, radiological, chemical, and biological) pose a profound and underappreciated threat. Unfortunately, U.S. government efforts to counter this threat have been, considering the scope of the threat, minimal. The issue has not received any concerted, meaningful attention during President Trump's first term, and we do not believe either a second Trump administration or a Biden administration would properly prioritize and respond to this threat. Although a Biden administration is more likely to give the issues additional policy attention and increase multilateral engagement, there would likely be limited resource commitments.



## Trump Administration

## Biden Administration



### NUCLEAR

- The administration has been critical of arms control agreements and made no increased effort to secure foreign nuclear materials
- The embrace of North Korea and withdrawing from the Iran agreement have created major incentives for rogue regimes to develop nuclear weapons

- The Biden administration will look to return to the policies of the Obama administration
- The Obama administration focused on international agreements and did not increase efforts to reduce nuclear threats through detection and aggressive counterproliferation efforts



### CHEMICAL/BIOLOGICAL

- The Trump administration has not taken significant actions to respond to these threats, with no indication of a change in approach in a second term
- The weaknesses of the COVID-19 response shows how vulnerable the United States is to even a comparatively weak infectious biological weapon

- A Biden administration would enhance preparation for an infectious biological weapon through its COVID-19 response
- Otherwise, little action in this area
- The most significant question will be the development of faster processes for new vaccines, which we examine in our report *Post-Pandemic Futures*



### PRIORITIZATION

- The administration has increased spending on nuclear weapons while cutting spending on counterproliferation efforts
- Continuing this approach will make it more likely that nuclear weapons spread to rogue countries or are obtained by nonstate actors

- A Biden administration would likely seek to return to Obama administration levels for counter-WMD funding
- Overall focus likely to be on multilateral responses to specific issues (e.g. a new Iran deal, containing North Korea)

# Climate-driven Natural Disasters

Natural disasters are escalating: 2019 saw 40 separate billion-dollar weather disasters, with the total damages running into the hundreds of billions of dollars. Drought and dangerous heat caused unprecedented wildfires in California and Oregon during a record hurricane season. The differences between the candidates are enormous. President Trump denies that climate change is occurring, and he has sought to minimize the federal role in disaster response. President Biden would prioritize effective emergency management, yet he will struggle to address the long-term causes of climate change and the government will continue to be challenged in responding to larger and larger disasters, especially those occurring simultaneously.



## *Trump Administration*

## *Biden Administration*



### CLIMATE CHANGE

- The Trump administration has consistently minimized or denied that climate change is occurring and has resisted and reversed any efforts to address the causes of change
- Every indication is that the President would continue this course in a second term

- Vice President Biden has identified climate change as a top priority and would likely pursue major legislation
- Major pressure for aggressive action from party activists, significantly beyond what occurred in the Obama administration, but continued political discord around the issue



### DISASTER RESPONSE

- Many decisions about disaster responses have been driven by apparent political considerations, a perception created by the President
- Disaster response has been uneven, with some notable failures like the response to Hurricane Maria, and politicization of response funds

- The administration would return to the norm of managing crises as apolitically as possible
- President Biden would likely support more funding for disaster response
- Continued issues arise in responses based on division of responsibility between federal government and states



### INTERNATIONAL ENGAGEMENT

- The Trump administration would go through with withdrawal from the Paris agreement and resist international cooperation to address climate change
- While some military-led aid to disaster-stricken countries would continue to occur, it would be at a lower level than in a Biden administration

- A Biden presidency would result in the United States recommitting to the Paris agreement
- Reinitiate international engagement to establish multilateral efforts to address the causes of climate change, although these mechanisms have not yet proven effective at addressing this challenge

# Conclusion

## The profound implications of the next administration's approach to nonstate risks

American security is at a transition point, as great power confrontations demand increasing resources at a time when transnational threats remain elevated. Nonstate risks have been the source of the most difficult challenges for the government over the last decade, and even more of the response burden will fall on the private sector in the coming years. The candidates' different approaches will have outsized consequences on businesses and the directions of financial markets. Executives and investors need a strategic understanding of these risks to evaluate the likely impacts of different government approaches on their own risk management strategies.

*These risks no longer reside in the realm of legal compliance or business resumption concerns. Rather, they are fundamental to the success or failure of enterprises, the functioning of financial markets, and safety and well-being of large numbers of civilians. These events are not the type of occurrence that an organization can successfully respond to on the fly. **The lesson is that businesses and investors who understand the implications of nonstate risks will have a significant strategic advantage over those who do not when risk materializes strewing consequences in its wake.***



To understand the strategic risk, most companies turn to geopolitical analysis, assessing historical precedents and relying on geopolitical risk assessment. Despite the excellent geopolitical resources that are available, organizations are increasingly being caught off guard by strategic challenges because traditional geopolitical analysis does not reflect the breadth of the risk environment. Geopolitical risk is real and has been rising in recent years, but it does not properly address nonstate transnational threats.

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***To truly understand the strategic context for modern business, executives need to understand both geopolitical and nonstate risks. This is the purpose of New Macro Risks, a research company dedicated to providing analysis of nonstate risks for an executive audience. Detailed analysis of the nonstate threats described here is available to subscribers at [newmacrorisks.com](http://newmacrorisks.com).***

**This is a complimentary special report by New Macro Risks. We will be releasing a comprehensive assessment of the next administration's approach to transnational threats to subscribers in January 2021.**

**Additionally, subscribers have access to the full *2021 Nonstate Threat Briefing* and the *Post-Pandemic Futures* scenario planning report, as well as additional quarterly deep dives into emerging threats and interviews with top experts on nonstate risks.**

**Please visit [newmacrorisks.com](https://newmacrorisks.com) or contact us at [info@newmacrorisks.com](mailto:info@newmacrorisks.com) to start an enterprise subscription today.**