## Hey! What's New? 2025-14

## Global Risks 2025: A world of Growing Divisions

According to the World Economic Forum's 2025 Global Risk Report, our world is not in a good place – and it's not about to get any better. "The multi-decade structural forces highlighted in last year's Global Risks Report – technological acceleration, geostrategic shifts, climate change and demographic bifurcation – and the interactions they have with each other – have continued their march onwards. The ensuing risks are becoming more complex and urgent, and accentuating a paradigm shift in the world order characterized by greater instability, polarizing narratives, eroding trust and insecurity. Moreover, this is occurring against a background where today's governance frameworks seem ill-equipped for addressing both known and emergent global risks or countering the fragility that those risks generate."

Specifically, "concerns about state-based armed conflict and geoeconomic confrontation have on average remained relatively high in the ranks over the last 20 years, with some variability. Today, geopolitical risk – and specifically the perception that conflicts could worsen or spread – tops the list of immediate-term concerns. Fear and uncertainty cloud the outlook in various parts of the world, including in Ukraine, the Middle East and Sudan, with multilateral institutions struggling to provide effective mediation and work towards resolutions."

As well, societal risks such as inequality rank high among today's leading concerns as well as over the last years. "Polarization within societies is further hardening views and affecting policy-making. It also continues to fan the flames of misinformation and disinformation, which, for the second year running, is the top-ranked short- to medium-term concern across all risk categories. Efforts to combat this risk are coming up against a formidable opponent in Generative AI-created false or misleading content that can be produced and distributed at scale. More broadly, technological risks, while not seen as immediate, rise in the rankings for the 10-year time horizon, given the rapid pace of change in areas such as AI and biotech."

Economic risks have fallen in the rankings since last year, the report says. But, it adds, "there is no room for complacency: if the coming months see a spiral of tariffs and other traderestricting measures globally, the economic consequences could be significant. Elevated valuations in several asset classes make them more vulnerable to these and other risks."

The top risk, according to the report is misinformation and disinformation, for the second year in a row. "There are many ways in which a proliferation of false or misleading content is complicating the geopolitical environment. It is a leading mechanism for foreign entities to affect voter intentions; it can sow doubt among the general public worldwide about what is happening in conflict zones; or it can be used to tarnish the image of products or services from another country."

Polarization, involuntary migration or displacement and erosion of human rights and/ or civic freedoms were also considered to be among the top risks. "The importance ascribed to this set of societal risks by respondents suggests that social stability will be fragile over the next two years."

The outlook for environmental risks over the next decade is alarming, the report says, presenting the most significant deterioration. "Extreme weather events are anticipated to

become even more of a concern than they already are, with this risk being top ranked in the 10-year risk list for the second year running. Biodiversity loss and ecosystem collapse ranks #2 over the 10-year horizon, with a significant deterioration compared to its two-year ranking."

Artificial intelligence technologies fell from rank 29 to 31 in the two-year outlook, with only 2% of respondents expecting those technologies to lead to adverse outcomes in 2025. However, respondents expressed unease over cyber espionage and warfare, which ranked fifth in the short-term risks expected to affect global societies over the next two years.

We seem to be living in one of the most divided times since the Cold War, the report says. "This is reflected in the results of the GRPS, which reveal a bleak outlook across all three time horizons – current, short-term and long-term. A majority of respondents (52%) anticipate an unsettled global outlook over the short term (next two years), a similar proportion to last year. Another 31% expect turbulence and 5% a stormy outlook. Adding together these three categories of responses shows a combined four percentage point increase from last year, indicating a heightened pessimistic outlook for the world to 2027. Compared to this two-year outlook, the landscape deteriorates over the 10-year timeframe, with 62% of respondents expecting stormy or turbulent times."

For a whole lot more information on what we can look forward to – and be alarmed about – get the report at <u>WEF\_Global\_Risks\_Report\_2025.pdf</u>.