

Economic Risks to Global Recovery

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Climate changes, social divides, cyber risks and uneven global recovery comprise the greatest global risks today, according to the World Economic Forum (WEF) *Global Risks Report 2022*. The report predicts the highest short-term (zero to two years), medium-term (two to five years) and long-term (five to 10 years) risks.

Only one in six experts surveyed in this report is optimistic that global recovery will be stable over the next three years, and one in 10 believes the recovery will accelerate. Experts indicated that leaders may have to deviate from quarterly reporting cycle to create policies that manage risks and shape the agenda for the coming years, the WEF said.

Extreme weather events, climate action failure and social cohesion erosion were identified as economic risks for the long term; and livelihood crises, cybersecurity failure, debt crises and asset bubble bursts, for the short to medium term.

Conversely, three factors are expected to rise among the top risks following the next two years and will remain high long term: human environmental damage, biodiversity loss and geo-economic confrontation.

“Health and economic disruptions are compounding social cleavages,” said Saadia Zahidi, managing director for World Economic Forum. “This is creating tensions at a time when collaboration within societies and among the international community will be fundamental to ensure a more even and rapid global recovery. Global leaders must come together and adopt a coordinated multistakeholder approach to tackle unrelenting global challenges and build resilience ahead of the next crisis.”