



## Global Risks Report 2023

**Prelims:** World Economic Forum, Davos Summit, Climate Change, Climate Action and Biodiversity Loss.

**Mains:** Global Risks Report 2023.

### Why in News?

Recently, **the [World Economic Forum \(WEF\)](#)** has released the **18<sup>th</sup> Edition of Global Risks Report 2023** **which** seeks that the world be prepared for 'Natural disasters and extreme weather events' in the next two years.

- The WEF report has been released ahead of its flagship Davos 2023 Meeting, which is titled as **Cooperation in a Fragmented World**.

### What are the Findings of the Report?

- **Most Severe Risks:**
  - **'Failure to Mitigate Climate Change' and 'Failure of Climate Change Adaptation'** are the two **most severe risks facing the world** in the next decade, followed by **'natural disasters and [extreme weather events](#)'** and 'Biodiversity loss and ecosystem collapse'.
  - Today, atmospheric levels of carbon dioxide, methane and nitrous oxide have all **reached record highs**.
  - Emission trajectories make it **very unlikely that global ambitions to limit warming to 1.5°C** will be achieved.

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## Top 10 Risks

“Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period”

### 2 years



### 10 years



#### Risk categories

■ Economic 
 ■ Environmental 
 ■ Geopolitical 
 ■ Societal 
 ■ Technological

#### ■ Climate Action and Biodiversity Loss:

- The world has struggled to make the required progress on climate change despite **30 years of global climate advocacy and diplomacy**.
- Failure on climate action to address climate change’ **has continued to figure among the top risks in the report since 2011**.
- Biodiversity within and between ecosystems is already declining **faster than at any other point during human history**.
- But unlike other climate-related risks, ‘Biodiversity loss and ecosystem collapse’ has **not been perceived to be of concern over the short term**.
  - It has been **ranked as the 4<sup>th</sup> most severe risk** in the long term or over the next ten years (by 2033).

#### ■ Reversal of Climate Mitigation Progress:

- Growing demands on public- and private-sector resources from the socio-economic short-term crises **attributed to geopolitical tensions**, will likely reduce the speed and scale of mitigation efforts over the next two years.
- These have, in some cases, also **reversed progress on climate change mitigation**, at least over the short term.
  - For example, the European Union spent at least 50 billion euros on new and expanded fossil-fuel infrastructure and supplies.
  - Some countries including Austria, Italy, the Netherlands and France **restarted coal power stations**.

▪ **Apprehensions and Threats:**

- Over the next 10 years or by 2033, the interconnections between biodiversity loss, pollution, natural resource consumption, climate change and socioeconomic **drivers will make for a dangerous mix.**
- In the meantime, the current **global pandemic and war in Europe has been held responsible for the energy, inflation and food crises.** In fact, 'cost of living' ranks as the top most serious global risk in the short term (over the next two years).
- Failure to mitigate climate change is also a significant global risk that the world is least prepared for.
  - 70% of the respondents in the WEF report said existing measures to prevent or prepare for climate change have been **"ineffective" or "highly ineffective"**.

## What is Global Risk?

- **Global risk** is defined as the **possibility of the occurrence of an event or condition which, if it occurs, would negatively impact a significant proportion** of global gross domestic product, population or natural resources.
- The Global Risks Report is **an annual study published by the World Economic Forum ahead of the Forum's Annual Meeting in Davos, Switzerland.** Based on the work of the Global Risk Network, the report describes changes occurring in the global risks landscape from year to year.

## What is the World Economic Forum?

- **About:**
  - The WEF is a Swiss nonprofit foundation established in 1971, based in Geneva, Switzerland.
  - Recognized by the Swiss authorities as the international institution for public-private cooperation.
- **Mission:**
  - Committed to improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas.
- **Founder and Executive Chairman:** Klaus Schwab.
- **Some major reports published by WEF are:**
  - [Energy Transition Index.](#)
  - [Global Competitiveness Report.](#)
  - Global IT Report
    - WEF along with INSEAD, and Cornell University publishes this report.
  - [Global Gender Gap Report.](#)
  - Global Travel and Tourism Report.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

**Q1. Which of the following gives 'Global Gender Gap Index' ranking to the countries of the world? (2017)**

- (a) World Economic Forum
- (b) UN Human Rights Council
- (c) UN Women
- (d) World Health Organization

**Ans: (a)**

**Q2. Who among the following is the founder of World Economic Forum? (2009)**

- (a) Klaus Schwab
- (b) John Kenneth Galbraith

- (c) Hobert Zoellick
- (d) Paul Krugman

**Ans (a)**

**Q3. The Global Competitiveness Report is published by the (2019)**

- (a) International Monetary Fund
- (b) United Nations Conference on Trade and Development
- (c) World Economic Forum
- (d) World Bank

**Ans: (c)**

**[Source: DTE](#)**

PDF Refernece URL: <https://www.drishtias.com/printpdf/global-risks-report-2023>