



The Global Risks Report 2025

For Prelims: [Global Risks Report](#), [World Economic Forum](#), [Trade protectionism](#), [Global inflation](#), [Trade wars](#), [Misinformation](#), [Algorithmic bias](#), [Citizen surveillance](#), [Censorship](#), [Cybersecurity](#), [Climate change](#), [Biotech advancements](#), [Environmental risks](#), [Super-aging societies](#), [Pension crisis](#), [Labour shortages](#), [Pollution](#), [Bioweapons](#), [Bioterrorism](#), [Pollution Control](#)

For Mains: [Global Risks Report](#), [World Economic Forum](#), [Trade protectionism, and its Impact](#), [Misinformation and its Impact](#), [Issues of Cybersecurity](#), [Issues Related to Biotech Advancements](#)

Why in News?

The [World Economic Forum](#) has released the 20th edition of the [Global Risks Report, 2025](#) providing a detailed analysis of the most pressing global risks and their evolving nature.

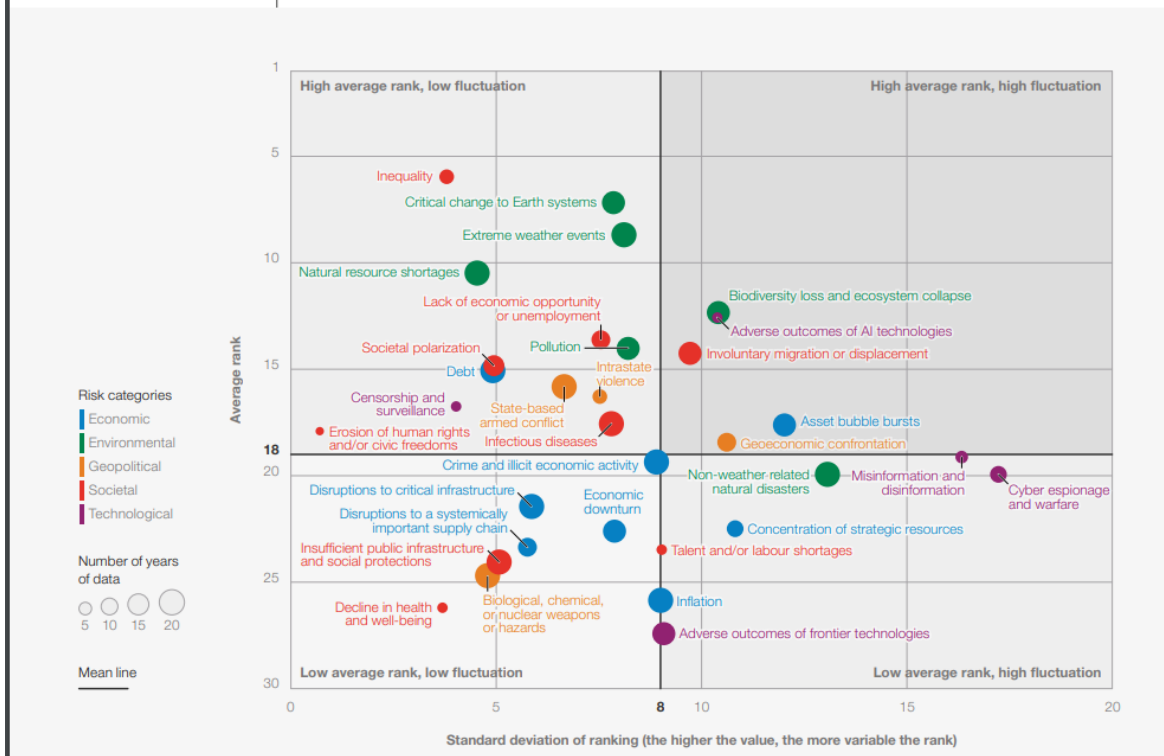
- The report **highlights key issues** such as [climate change](#), [technological advancements](#), [geopolitical tensions](#), and [societal polarization](#), emphasizing the urgent need for multilateral solutions to address these challenges effectively.

What is the Global Risks Report, 2025?

- **About:**
 - The **Global Risks Report** was **launched in 2006** during a landscape dominated by [terrorism](#) and [avian influenza](#). Over two decades, major events such as the [2007-2008 financial crisis](#), [Covid-19](#), and compounding **Structural forces** (Technological acceleration, [Geostrategic shifts](#), [Climate change](#), and [Demographic bifurcation](#)) have shaped the global risk outlook.

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FIGURE 2.17 | Average risk ranking and variability, 2006-25



▪ **Key Trends in Risk Perceptions:**

- **Environmental Risks Dominate Long-Term Concerns:** Environmental risks, led by [Extreme weather events](#), have consistently topped 10-year risk rankings.
 - [Pollution](#) evolved as a critical risk since 2009, rising alongside [Biodiversity loss](#) and **ecosystem** collapse, which surged from rank 37 in 2009 to rank 2 in 2025.
- **Perennial Concerns About Conflict:** [State-based armed conflict](#) has remained a top concern, with rankings spiking during events like the [Syrian civil war](#) and the [Russian invasion of Ukraine](#).
- **Societal Risks as Long-Term Challenges:** Risks like [Inequality](#), [Societal polarization](#), and Erosion of [human rights](#) consistently rank high.
 - [Societal polarization](#) climbed from rank 21 in 2012 to rank 8 in 2025, reflecting increasing divisions.
- **Economic Risks Perceived as Less Significant Long-Term:** Economic risks like [Inflation](#) and Economic downturn rank lower, with only Debt and Asset bubble bursts maintaining prominence.
- **Technological Risks:** Technological risks, including adverse AI outcomes and [cyber warfare](#), are highly volatile, with evolving concerns like misinformation replacing earlier risks such as [nanotechnology](#) and pervasive computing, highlighting the rapid pace of technological change.



What are the Current and Short to Medium Term Risks?

- **Escalating Trade Protectionism:** Global trade faces a **significant decline due to escalating tariffs** and protectionist policies. Trade tensions between the **West and East risk deeper** economic decoupling. Harmful trade policy interventions have **surged globally since 2017**.
- **Industrial Policies and Non-Tariff Barriers:** Countries increasingly adopt industrial policies like the **Inflation Reduction Act** and **Make in India** to protect domestic industries, risking **corruption** and resource misallocation. Expanding **national security** classifications may further block trade and investments.
- **Economic Risks of Trade Tension:** The economic downturn ranks as the top global risk in multiple regions, with tariffs increasing uncertainty, reducing productivity, and discouraging investment. Fragmenting trade environments contributed to a 10% drop in global **foreign direct investment** in 2023.
- **Economic Uncertainty and Growth:** While global inflation is projected to decrease to 3.5% by 2025, escalating **trade wars** could reignite inflation and increase debt refinancing risks. The **International Monetary Fund (IMF)** forecasts stable but subdued global growth of 3.2% annually for 2024–2025, lower than pre-pandemic averages.
- **Rising Misinformation and Disinformation:** The **growth of digital platforms** and **AI-generated** content has increased the prevalence of **misinformation and disinformation**, undermining trust in information and institutions. **Societal polarization** (rank 4 in GRPS) exacerbates this issue, amplifying **algorithmic bias** and making it harder to distinguish false content from truth.
 - **Misinformation** refers to false or inaccurate information that is spread **without the intent to deceive**, often because the person sharing it believes it to be true.
 - In contrast, **disinformation is deliberately false information** created and disseminated with the intention to **mislead or manipulate others**.
- **Algorithmic Bias Risks:** Algorithmic bias arises from **flawed data, societal divisions, and human oversight**, leading to **inequities in decisions** like hiring, public services, or predictive policing. Political biases are particularly at risk of being embedded in algorithms, with **societal polarization deepening these effects**.
- **Citizen Surveillance Concerns:** Governments and tech companies are leveraging AI, **data analytics**, and digital platforms to **monitor citizens, often with insufficient legal safeguards**. While this data can enhance public services, it also **poses risks of misuse**, especially in regions with limited data protection regulations.
 - Trust in media and information sources is declining, with only 40% of people in 47 surveyed countries trusting most news.
- **Global Concerns on Censorship and Surveillance:** Censorship and surveillance (rank 16 in GRPS) reflect rising fears of online monitoring and control. These concerns are most pronounced in **Eastern Asia, Latin America, and Central Asia**, where divisions between societies and governments are deepening.
- **Technological Exploitation and Cybersecurity Risks:** **AI and GenAI** enable threat actors and

state agencies to expand disinformation campaigns, exploit online vulnerabilities, and compromise algorithms through [cyberattacks](#), further eroding trust in digital systems.

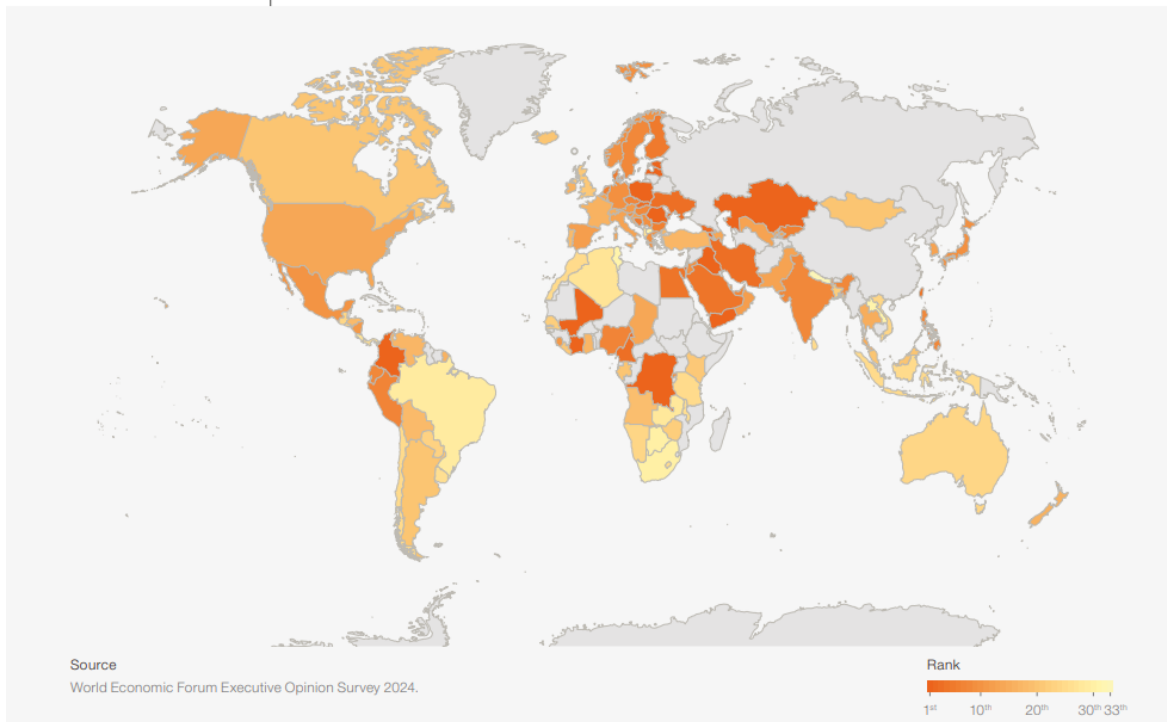
What are the Long-Term Risks?

- **Deteriorating Risk Landscape:** By 2035, global risks are expected to worsen in severity, with 62% of respondents predicting a turbulent or stormy outlook.
- **Structural Forces Shaping Risks:** Four key structural forces namely technological acceleration, [geostrategic shifts](#), [climate change](#), and [demographic bifurcation](#) shape long-term global risks.
 - These forces interact, intensify risks, and contribute to instability, creating challenges such as [geopolitical fragmentation](#), rapid technological change, [climate disruption](#), and demographic challenges like [aging populations](#).
- **Emerging Risk Themes:** Key emerging risks include [biotech advancements](#), which offer medical breakthroughs but also raise concerns about misuse, such as [biological terrorism](#) or [gene editing](#) mishaps. Pollution, particularly underappreciated pollutants, poses significant health and ecological threats.
- **Dominance of Environmental Risks:** Environmental risks dominate the 10-year outlook, with [extreme weather events](#) ranked rank 1, followed by biodiversity loss (rank 2), critical Earth system changes (rank 3), natural resource shortages (rank 4), and pollution (rank 10). Younger respondents and civil society groups rank pollution especially high.
- **Technological and Societal Risks:** Technological risks like adverse outcomes of AI (rank 6) are expected to intensify significantly. Societal risks, including [inequality](#) (rank 7) and societal polarization (rank 8), are linked to **potential social instability** and [demographic challenges](#) in aging societies such as Japan and Germany.
- **Geopolitical Risks and Economic Stability:** Geopolitical risks, while prominent in the short-term ranking, fall outside the top 10 for the long-term horizon. However, [state-based armed conflict](#) has risen to rank 12, and risks of biological, chemical, or [nuclear weapons](#) have increased. Economic risks remain volatile, with crime and illicit economic activity climbing to rank 15.

FIGURE 1.11

National risk perceptions: Armed conflict (interstate, intrastate, proxy wars, coups, etc.)

Executive Opinion Survey rank of national risks from the question "Which five risks are the most likely to pose the biggest threat to your country in the next two years?"



- **Pollution as a Critical Long-term Risk:** Pollution ranks 10 in the GRPS 10-year outlook, with

younger respondents ranking it as high as rank 3. It is closely linked to [health risks](#), [biodiversity loss](#), and economic burdens, particularly in low- and middle-income countries.

- Emerging concerns include **Per- and poly-fluoroalkyl substances (PFAS)** ("[forever chemicals](#)") and [microplastics](#), both of which pose severe health and environmental risks.
- **Bioweapons and Bioterrorism Threats:** Advancements in biotech make it easier for threat actors to create or modify [biological agents](#), potentially leading to pandemics or targeted [biological attacks](#). The accessibility of AI-driven tools and reduced costs heighten the **risks of developing bioweapons**, including those targeting specific genetic groups.
- **Health Risks from Biotech Applications:** While biotech offers **groundbreaking solutions**, such as [gene editing](#) and brain-computer interfaces, risks include unforeseen long-term health impacts, clinical complications, and accidental or malicious misuse. Technologies like [CRISPR-Cas9](#), though transformative, may cause off-target effects, genetic rearrangements, or unknown generational consequences.
- **Technological Convergence and Misuse:** Biotech's integration with AI accelerates both breakthroughs and risks. Examples include AI models unintentionally generating toxic substances and the **potential use of DNA** to hack computer systems. The convergence of **biological and cyber domains poses complex**, compounding risks.
- **Pension Crisis:** [Super-ageing societies](#), where over **20% of the population** is above 65, face **rising dependency ratios**, and straining state and private pension systems.
 - Transitioning from defined benefits to contribution schemes increases individual responsibility, yet many **lack the financial literacy** or income to save adequately.
 - **Pension gaps are exacerbated** for women and low-income workers, with systemic inequalities deepening poverty risks for retirees.
- **Labour and Long-term Care Shortages:** Super-ageing societies will face acute labour shortages, especially in **long-term care sectors**, which are underfunded and reliant on [unpaid caregivers](#) or [migrant workers](#). Immigration helps, but [anti-immigration policies](#) and limited support for female workforce participation hinder solutions. Technological interventions may assist but cannot fully meet care demands.
- **Future Super-Ageing Risks:** Countries with youthful populations today, particularly in [Sub-Saharan Africa](#), risk following similar demographic trajectories without sufficient investments in [human capital](#) or social safety nets. These regions **may face compounded challenges** of [poverty](#), inequality, and [underdeveloped care systems](#) when they eventually become super-aged societies.

What are the Recommendations in the Report?

- **Foster Multilateralism:** Global treaties and agreements have the greatest long-term potential for addressing geoeconomic confrontation. Reviving reforms at the [World Trade Organization \(WTO\)](#), particularly in dispute resolution, tariff-setting, and digital trade, is a priority.
- **Strengthen Domestic Economic Resilience:** As trade becomes costlier and more complex, countries should focus on policies that boost domestic economic strength. **Investments in financial sector development**, [education](#), [health](#), and [infrastructure](#) are critical, alongside achieving self-sufficiency in strategic sectors like energy, [agriculture](#), and defense to enhance national resilience.
- **Urgent Need for Action:** [Addressing pollution](#) and its impacts on health, ecosystems, and economies requires comprehensive policies, **adaptive strategies**, **stricter regulations**, integration of emerging pollutants, and the promotion of sustainable practices across industries and regions.
 - **Improve Monitoring, Reporting, and Evaluation (MRE) Systems:** Enhancing **MRE systems can provide actionable insights**, inform policies, and enable targeted interventions, making pollution management more effective and transparent.
 - **Unlock Ambitious Funding:** Pollution initiatives remain underfunded, with less than 1% of international development funding dedicated to air pollution mitigation between 2015 and 2021.
- **Call for Accountability and Regulation:** There is a pressing need for **clear frameworks to mitigate algorithmic bias**, ensure accountability in decision-making, and **establish global standards** for responsible surveillance to **protect individual privacy and trust**.
- **Call for Ethical and Regulatory Oversight:** Without clear ethical boundaries and robust global

regulations, the **[misuse of biotech](#)** could lead to cascading health, societal, and geopolitical consequences. **Comprehensive governance frameworks** are essential to balance innovation with risk mitigation and ensure equitable access to advancements.

- **A global ethical oversight body with experts in ethics and biotech** could ensure adherence to standards and address rapid advancements. Progress in frameworks, such as the **[World Health Organization \(WHO\) governance recommendations for human genome editing](#)**, serves as a starting point for broader global collaboration.
- **Policy and Structural Reforms:** Raising **retirement ages and improving pensions** require careful policy balancing to **avoid intergenerational tensions**.
 - **Encourage Flexible Work Policies:** Organizations should adopt and enhance flexible work arrangements, allowing **employees to take non-linear career paths**. This includes re-entering the workforce after life stages like **caregiving, education, or reskilling**, supporting a more adaptable and inclusive workforce.
 - **Promote Healthier Pre-Retirement Lifestyles:** Governments and private sectors should **launch initiatives to improve pre-retirement health choices**, focusing on exercise, nutrition, and social interactions. Examples like **Singapore's "health district"** highlight how fostering healthy habits can reduce long-term care needs, strengthen economies, and alleviate fiscal pressures.

PDF Reference URL: <https://www.drishtias.com/printpdf/the-global-risks-report-2025>

