RISKY BUSINESS:

HOW THE WEF GLOBAL RISKS REPORT MISREPRESENTS THE PLIGHTS OF THE DEVELOPING WORLD

by

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HONORS THESIS

Submitted to Texas State University
in partial fulfillment
of the requirements for
graduation in the Honors College
December 2021

Thesis Supervisor:

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ABSTRACT

Since 2006, the World Economic Forum (WEF) has published a Global Risks Report, which outlines the most-perceived risks projected to shape our world over the next ten years. However, the Global Risks Report's conceptualization of risk ignores Ulrich Beck's constructivist school of thought and promotes harmful discourses through dogmatic neo-liberalist structural adjustment programs. This paper will deconstruct the Global Risks Report to reveal its isolation of risk, the reproduction of First World and Third World disparities through harmful discourses, and its ahistorical approach to developing states' insecurities. I will address these weaknesses through a close reading of the Global Risks Report 2021 and a critical comparison of its application of risk to geopolitical risk theory. Such an assessment contributes to WEF critique by breaking down the basic theoretical construct which makes up the Global Risks Report and providing a foundation for the restructuring of global risk conceptualization.

I. PROBLEM STATEMENT

Every year since 2006, the World Economic Forum (WEF) publishes a Global Risks Report that, according to the WEF, gives policymakers critical insight on uncertainties that may arise over the next ten years, which they perceive will pose risks to economic and political security (Cann, 2015).

The goal of this project is to utilize geopolitical risk theory and knowledge of international relations to break down the discourses presented by the World Economic Forum's Global Risks Report 2021. Specifically, this thesis examines the Global Risks Report 2021 to illustrate how popular neo-liberal theories and schools of thought are often applied to risk analysis and its subsequent mitigation in ways that negatively shape power relations and exacerbate inequality at the global scale.

To achieve these goals, I ask questions such as: How does the constructivist school of thought within geopolitical risk theory add significance to the Global Risks Report? In what ways does the Global Risks Report tie together interrelated topics of risk and where does it fall short in these syntheses? Finally, in what contexts is it necessary to address historical and geographic details as they pertain to risks within the report?

Answering these questions contributes to scholarly literature by offering a unique critique of the Global Risks Report. There are innumerable disquisitions and debates of the World Economic Forum and the Davos Conference (Graz, 2010; Ojala, 2017; Andrew, 2021) but few that specifically address the Global Risks Report as a mechanism of reproducing global inequalities between developed and post-colonial countries and a tool of reassurance for the minimal efforts of the upper echelons of society.

To answer these questions, I use content analysis to deconstruct the Global Risks Report and its narrative patterns to reveal the flaws in its execution. In doing so, I first argue that the Global Risks Report presents risks in an isolated manner, despite most drivers of risk being interrelated. The way the WEF conceives of, isolates, and simplifies drivers of risk in the Global Risks Report 2021 is limited compared to the vast intricacies that surface in our risky world. The isolation of risk factors largely contributes to the Global Risks Report's ineffectuality. If risks are differentiated and approached in isolation, policymakers will often overlook the underlying root causes of these risks. This conceptualization results in unsustainable policies and promotes the long-term exploitation of global poverty under the guise of short-term risk mitigation. When reports like these define the baseline for threat analysis and act as selling points for coordinated investment tactics, the result is some truly risky business.

Second, the Global Risks Report reproduces "First World" and "Third World" disparities by promoting exploitative development strategies that propagate neo-colonial relations through the overuse of Foreign Direct Investment (FDI) and Public-Private Partnerships (P3s). Promoting the ownership of developing post-colonial nations' resources and production systems by developed states assumes First World superiority and is inherently paternalistic. These neo-liberal strategies quickly become exploitative, especially when we consider that much of the direct investment developing countries receive is provided by multinational corporations (MNCs) that do not adhere to the same regulatory standards as many governments. By equating wealth to economic value, the Global Risks Report promotes a discourse that allows wealthy nations to exploit poorer nations' resources—natural, labor, and otherwise. This system fails to account for the role dependency plays in the neo-liberal global economy, which results in the redistribution of risk and vulnerability, not the alleviation of it. Structural adjustment programs are mandates of “macroeconomic policy changes that obligate recipient nations to liberalize their trade and investment policies” (Oringer & Welch, 2014). Neo-liberal restructuring without proper economic, political, and environmental regulation strips lesser developed countries (LDCs) in the Third World of their voice and any economic power they might have gained through more economically sustainable development practices.

Third, and finally, the Global Risks Report offers an ahistorical understanding and explanation of the global distribution of wealth and power. By implementing an analytical framework largely composed of graphs and variables that isolate risk from compounding drivers in abstract ways that are devoid of context, the Global Risks Report strips the significance of geography and history from the countries it defines. I am not arguing that the entire history of the world should be included in the Global Risks Report. However, the historical contexts that are critical to understanding risk, and essential in addressing the future for the countries they concern, are absent.

In circles of such unparalleled power, advocacy is not enough. This project aims to shift the typical understanding of risk to prove that through the publication of the Global Risks Report the WEF accomplished the opposite of their objective. The Global Risks Report increases public exposure to alleged risk drivers, cementing the validity of certain risks through its prominent global platform. In this way, my project spins from a theoretical discussion to real-world application. As we fuel discourses and theories directly related to our understanding of risk, we legitimize ideas with limited merit and create a more dangerous and polarized world.

II. BACKGROUND: THE WORLD ECONOMIC FORUM AND GLOBAL RISK

The WEF was established in 1971 as a non-profit international organization for public-private cooperation in Geneva, Switzerland (World Economic Forum [WEF], 2021a). The basis of its institutional culture is the stakeholder theory (WEF, 2021a). This theory, coined by founder Klaus Schwab, asserts the notion that organizations are accountable to society in a context that requires active participation towards improved social welfare and the common goal of a cooperative global community (WEF, 2021a).

In layman's terms, Schwab defines the stakeholder theory as a global village where all stakeholders are capable of acting on important issues of our time (WEF, 2021a). Overall, he believes that "the complex issues in our world can only be solved by public-private cooperation" (WEF, 2021a). To accomplish this, Schwab established the WEF. The four phases of the WEF's evolution began with the initial Davos conference in 1971. The Davos Conference is a coalescence of world leaders that utilize the WEF as a trusted platform to discuss critical issues in business, government, international organizations, civil society, and academia (WEF, 2021b). The conference has taken place every January since its founding (WEF, 2021b). Although Davos is widely criticized for its heavy-handed elitism, it is critical to the WEF's first phase of evolution as a conduit for strengthening the convening power of world leaders (WEF, 2021a). The second phase of the WEF's evolution is the turning of event participants into active members of the global future so they may lay the foundation for continued interaction and global cooperation (WEF, 2021a). By establishing these connections, the WEF hopes to establish a community of world leaders—not just composed of governments—to mitigate the risks that threaten the sustainable future the WEF imagines. The third phase is the development of the WEF's internal capability to exercise the leadership established in previous steps (WEF, 2021a). According to Schwab, this looks like published reports and initiatives that may become performance benchmarks for competition, risk analysis, and gender equity (WEF, 2021a). One example of these reports is the Global Risks Report 2021, the focus of this paper. From here, the WEF will move on to its fourth phase of evolution as an organization wherein stakeholder interactions become joint stakeholder action to achieve collective impact (WEF, 2021a).

Multi-stakeholderism was first proposed as a part of the WEF Global Redesign Initiative (GRI) in 2009 (Gleckman, 2016). Over eighteen long months, this program fostered the creation of 40 Global Agenda Councils and industry-sector bodies (Gleckman, 2016). Their purpose was to craft an array of topical governance proposals (Gleckman, 2016). Each council produced a 600-page report on their policy proposal, as well as numerous policy essays and organizing principles that lay out the WEF framework for a multi-stakeholder governance system (Gleckman, 2016).

The WEF attributes its success to its position as a non-governmental organization (NGO) with non-profit sentiment and corporate efficiency (WEF, 2021a). This analogy bodes well for the WEF's ultimate goal of a globally integrated Public-Private Partnership. The WEF combats the trend of self-interest acting as a guiding principle for global decisions by establishing projects that focus on industry transformation and resilience (WEF, 2021a). Through all of these aspects, the WEF functions through the same framework established by the United Nations (UN), albeit independently, to act as an anchor for the international government systems the WEF aims to rehabilitate (WEF, 2021a).

The Global Risks Report fits into the WEF’s third phase of development by acting as an annual benchmark for risk. The report was first launched in 2006 and has published sixteen editions, the most recent being the Global Risks Report 2021 (Cann, 2015). The publication of the first report preceded the financial crisis of 2008, a time when global economic integration would reveal the weaknesses in neo-liberal economic policies. But, rather than laying out short-term risks, the purpose of the report is to provide policy-makers with insights for uncertainty projected over a ten-year time frame (Cann, 2015).

In the late 2000s, the report highlighted fiscal crises as an upcoming threat (WEF, 2007). Then, the early to mid-2010s saw water supply as one of the greatest perceived risks (WEF, 2012; WEF, 2013). Even back in 2007, when H5N1 spurred fears of highly contagious diseases, pandemics ranked within the top five most highly projected risks (WEF, 2007). This fear resurfaced for the 2021 report due to the Covid-19 pandemic. Income disparity as an effect of unemployment and underemployment has been a high-ranking risk in recent years (WEF, 2013; WEF, 2014), and other topics such as climate change and geopolitical conflict have been recurring over the report's duration (Cann, 2015).

The basis of the Global Risks Report is the Global Risks Perception Survey (GRPS). This survey is the WEF’s primary data source, gathering the expertise of the organization's expansive connections. For the Global Risks Report 2021, survey responses were collected from September 8, 2020 to October 23, 2020 from the WEF’s multi-stakeholder communities, the professional networks of its Advisory Board, and members of the Institute of Risk Management (WEF, 2021d, p. 90).

In relation to the GRPS, the WEF has a program called the Stakeholder Capital Metric, composed of fifty-two companies—listed on their website—around the world, whose goal is to implement more effective sustainability standards (WEF, 2021c). This initiative was launched in collaboration with Bank of America, Deloitte, EY, KPMG, and PwC in August, 2019 (WEF, 2021c). While it's not entirely clear if these companies are fulfilling the policy proposals of the GRI councils or if they simply work as a coalition to fulfill their own standards of sustainability, it seems likely that this list of companies does participate in the GRPS. However, it is not ultimately clear who is a part of the famed multi-stakeholder communities and whether these fifty-two companies are comprehensive of that body.

The only contributors of the GRPS directly named are the Global Shapers Community, a youth-centered, regionally-based organization designed to mitigate threats in different international communities, the Institute of Risk Management, a body of Enterprise Risk Management that provides qualifications and training to future professionals, and the WEF's own Advisory Board. While the Global Risks Report cites over 650 contributors to the GRPS in its review of sources, the vagueness in defining these participants prevents transparency and methodological rigor. Reason stands that there should be a list of participants of the GRPS for accountability and reliability purposes. While this could be justified for security purposes, the Global Risks Report does not provide such an explanation to address this vagueness, thus leaving the identities of the 650 plus contributors a mystery.

Nevertheless, the foundation that the GRPS lays, outlined in the Global Risks Report, is critical to the WEF's goal of international cooperation and the integration of

Public-Private Partnerships in a global forum to cultivate a multi-stakeholder society. This goal fueled the conception of the Global Risks Report and has led to sixteen years of risk analysis as it is perceived by the WEF on a global scale.

III. LITERATURE REVIEW: DEFINING AND THEORIZING RISK

There are two main bodies of literature this project draws from. *Risk Society* by Ulrich Beck, and the Global Risks Report 2021, published by the WEF. *Risk Society* defines the structure of risk conceptualization I will apply to the Global Risks Report in my analysis. Based on the following literature review, I will contrast the theoretical aspects of Beck's work and the face-value assertions made by the Global Risks Report.

III.A *Defining Risk*

During his lifetime, German sociologist Ulrich Beck was one of the most cited social scientists in the world and was often referred to as the prophet of uncertainty. Beck published the first version his famed book, *Risk Society*, in the spring of 1986, in which he coined terms such as "risk society" and "reflexive modernity." According to Beck, risks can be defined as "the probabilities of physical harm due to given technological or other processes" (Beck, 1992, p. 4). These risks are foremost determined by technical experts who detail and define the extent of various threats in a wide expanse of fields and dictate their future discourses. The Global Risks Report is one such site that produces the risk discourses that Beck analyzes.

Beck asserts three observations when it comes to the nature of risk. First, physical risks are both created and intertwined in social systems, often by the organizations and institutions tasked with controlling risky activity (Beck, 1992, p. 4). Second, the magnitude of physical risk is directly related to the quality of social relations and processes (Beck, 1992, p. 4). And third, that no matter how technically complex a risk may be, it is always ultimately based on the social dependencies between institutions and actors who are typically inaccessible to the people most affected by the risk (Beck, 1992, p. 4). These assertions are all applicable to the deconstruction of the Global Risks Report and will be examined further in the analysis section.

There are two primary schools of thought that emerge from Beck's conceptualization of risk. First, is the realist school of thought. This is the traditional approach to public risk management in which top-down strategies are implemented based on data collection and incessantly increasing volumes of information (Burgess et al., 2018). Beck challenges this thought by exposing its most glaring inherent weakness. The scientific rejection of threats on the basis of "insufficient evidence" of actors' relationships causing risk neglects the uncertainty that defines the field in the first place (Burgess et al., 2018). Beck argues that if we do not identify risks until they have already actualized into violence, chaos, and dishevel, we are not managing risks. We are putting out fires. Instead, Beck proposes a more preemptive understanding of risk.

The second school of thought emerging from Beck's conceptualization of risk is constructivism. Burgess et al. (2018) build on the foundation of Beck's constructivist theories by stating that increased societal awareness of scientific and political divisions establish higher risk and more porous societies (Burgess et al., 2018). Essentially, this means the threat of an event, usually permeated by wide-reaching media, can cause more risk and socioeconomic uncertainty than an actual event taking place. The conceptualization of risk as an affectation of societal awareness promotes the commodification of knowledge, which further widens divisions between different socioeconomic groups. This is the basis of most risks we encounter when looking at the Global Risks Report. Only, instead of designing solutions to redress knowledge disparities in developing nations, the report comes across as thinly veiled parentalism. It is important to understand in the school of constructivism that public risk perception is recognized as a legitimate factor in risk production (Burgess et al., 2018). Beck clarifies that “while in a classical industrial society, the logic of wealth production dominates the logic of risk production. In the risk society, this relationship is reversed” (Beck, 1992, p. 11). This risk society era can be characterized by an end to public deference and an increasingly active mistrust of corporations, scientific institutions, and government (Burgess et al., 2018). We are living in such a time.

Beck also presents the idea of reflexive modernity, a phenomenon that industrial societies follow and experience after an industrial revolution. Reflexive modernity asserts that the nineteenth century was a miscarriage of idealist thought, now being reborn on the cusp of the twenty-first century through global power gains in technology-based economies (Beck, 1992, p. 12). Beck suggests that technological advancements quickly outgrow the ideological foundation from which they sprout, resulting in an eternal lag between human ability to perform and human ability to adapt. Especially now, in an age of exponential innovation, society has not taken the time to catch up. These disparities become especially prevalent when comparing First World and Third World countries at different stages of development. To synthesize this idea, Beck states that “the gain in power from techno-economic ‘progress’ is being increasingly overshadowed by the production of risks” (Beck, 1992, p. 13). Early stages of this overshadowing are often legitimized as side effects as they become globalized, criticized, and studied in quantitative research, especially as they “achieve a central importance in social and political debates” (Beck, 1992, p. 13). From this point, globalization spurs both the production and reproduction of risks into great “supra-national and non-class-specific global hazards” (Beck, 1992, p. 13). This counter-modernization, if you will, is one side of the risk society Beck envisions. The other side is the conflict between traditional society and the implementation of an industrial society.

Industrial societies are cyclical and repeating, taking form after every industrialization period. The industrial society is paradoxical in a similar nature as the global system of governance that commands the WEF. There is a stark contradiction between the universal principles of modernity—advancement in moral and philosophical thought—and the exclusive structure of high-level institutions. The industrial society defines a state enveloped in social hierarchy and outpaced by its own innovations and technology. In the context of the WEF and the Global Risks Report, the next modernization cycle will kick off from Klaus Schwab’s Fourth Industrial Revolution. Schwab defines this Fourth Industrialization Revolution as a “digital revolution that has been occurring since the middle of last century… characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres” (Schwab, 2016).

In the wake of this revolution, the echelons of our global society will likely don the rose-colored glasses of utopia in the context of increasingly unequal power distributions in techno-centric economies just as they always have. If Beck envisioned society resting on the side of a volcano in 1992, 2021 is the year we dive into the crater.

Ulrich Beck’s conceptualization of risk and reflexive modernity in *Risk Society* are essential to the deconstruction of the Global Risks Report. Beck’s ideas are extremely applicable where there is an increasing consciousness of self-produced risks and increasing doubts about the capacity of current risk regulation industries to cope with them (Burgess et al., 2018). Because of this, my application of Beck's work to the Global Risks Report 2021 will open the door for risk theorists—who are typically on the fringe of applicability—to critically deconstruct the discourse the WEF began and continues to propagate of comprehensive analytics and a holistic presentation of risk.

The Global Risks Report is realist by nature and paradoxical in its attempt to mitigate risk by legitimizing fears that could have been relieved without the barebones promotion of international threats. Not only does the Global Risks Report participate in the circulation of risk by employing the constructivist school of thought, but it also cements the WEF's place at the top post-Fourth-Industrial-Revolution by further exposing the disparity between the WEF and everyone else in terms of wealth and knowledge distribution.

III.B *The Global Risks Report*

This thesis contributes to critical assessments of the WEF through a close reading of the Global Risks Report 2021, breaking down the ways the report defines risk and the subsequent implications this definition holds for post-colonial economics and global poverty mitigation. The report defines global risk as "an uncertain event or condition that, if it occurs, can cause significant negative impact for several countries or industries within the next ten years" (WEF, 2021d, p. 87). This definition springboards our discussion of risk theory discourse within the paper. In addition to the isolation of risk, the narrative of the report reproduces First World and Third World disparities and perpetuates ahistorical perceptions of developing states.

Themes within the Global Risks Report correspond to its six chapter titles but can be ultimately divided into four topical categories. First, the report notes increasing socioeconomic disparities between developed and developing countries, as well as greater divides within developing countries. According to the report, such divides are often exacerbated by unequal access to digital assets and the internet. Second, the Global Risks Report highlights increasing youth disillusionment as seen through mental illness, repeated economic crises, protests, and social movements. Greta Thunberg gaining global prominence is an example of this kind of disillusionment. As the world becomes a harsher place for young people, the global youth mobilizes to combat the grim reality they have inherited. Third, we see decreasing liberalization of middle-global powers beneath the surface tension of competing economic hegemonies like the U.S. and China. These are the international discretions that bubble up from trade wars we often see on the news, where higher prices and economic uncertainty lead to increased strain between third-party nations. Fourth, and finally, the Covid-19 pandemic. No post-2020 report would be complete without the mention of Covid-19. However, the report only cites the risk of future outbreaks and some of the economic implications of Covid-19 that have already materialized. It fails to address the projected economic risk of a future outbreak that may be more severe and contagious or how new medical infrastructure should be implemented in developing countries.

So, from the diminishing middle-class in largely developed countries to increased human rights and environmental conservation protests spearheaded by youth leaders to Brexit and rising nationalist populism movements across the globe, the Global Risks Report ultimately comes across as an elevator-pitch style summary of world affairs.

There is little in this report that could not be learned in an International Studies class or a subscription to the New York Times Weekend Briefing. This general takeaway emphasizes the importance of my close reading, especially in the context of my analysis.

My close reading of the Global Risks Report is also essential in this paper's contribution to the wide realm of WEF critique. I will deconstruct the way the WEF's Global Risks Report amplifies the vulnerability that leads to insecurity through its rejection of the constructivist understanding of risk. From here, I will provide suggestions for a more effective policy platform whose summary reports are succinct with its goals. While my suggestions are by no means comprehensive to the Global Risks Report's flaws or as noting of its successes as they could be, this paper will bolster the current dialogue of WEF critique by adding another theoretical perspective by which to compare it.

IV. METHODS

My first method of approach to the Global Risks Report 2021 was qualitative data collection through a close reading of the document. The Global Risks Report 2021 is the World Economic Forum's synthesis of the GRPS, a quantitative data collection in which respondents outline what risks they perceive to be most impactful and prevalent over the following ten-year time frame. The report is comprised of six chapters: Fractured Futures; Error 404: Barriers to Digital Inclusivity; Pandemials; Youth in an Age of Lost Opportunity; Middle Power Morass; Imperfect Markets: A Disorderly Industrial Shakeout; and Hindsight: Reflections on Responses to Covid-19. By closely reading this document and taking intensive field notes, major themes emerged throughout the work.

From these themes, I performed data analysis in the form of content analysis and semi-structured coding (Cope, 2016, p. 445). Content analysis is the conceptualization of topics from a systematic reading of the text. Coding takes the content analysis a step further, allowing for triangulation of themes within the report's data (Cope, 2016, p. 441). This approach allowed me to create replicable patterns so that my analysis could be structured thematically rather than chronologically, by chapter. After creating categories according to patterns within the report, I became capable of asking more inquisitive questions about the text, resulting in the high level of understanding that produced this paper.

By utilizing the coding method to make new connections within the text, I was able to break down the social construct the Global Risks Report builds in its assumptions of risk. This allowed for the inclusion of external sources that became critical in understanding the theoretical context of the report and the effects it may have on future analyses in the risk mitigation field. Content analysis and coding in this paper also aided in understanding the drivers of developmental strategies as seen through the neo-liberal lens of the report. This knowledge is invaluable for the production of new risk mitigation techniques. Going forward from this project, risk may be conceptualized in a method more conducive to positive sustainable growth in developing countries and communities.

V. ANALYSIS

The strongest theme of the Global Risks Report is global collaboration, despite existing unequal relations causing most of the issues described within the report. The irony brings forth reminiscence of Beck's warning regarding the dark side of modernization catching up with a world that develops inequity faster than it can control it. Through the varied lenses of societal, technological, economic, environmental, and geopolitical foci, the report's neo-liberal approach leaves underdeveloped countries at distinct disadvantages due to the unequal effects wrought by globalization. Yet, the Global Risks Report continues to promote globalization as the primary fix for this inequality. Neo-liberal structures that demonize shifts away from free-trade globalization and cooperation in politically-unstable states do not promote resilience. They encourage the negligence of internal issues that cannot be heard over the international hegemony of neo-liberalism.

The primary factors of risk misconceptualization addressed in this section are (1) the isolation of risk, (2) the promotion of First World and Third World disparities, and (3) the ahistorical approach the Global Risks Report takes to explain the risks it cites. The issue with the Global Risks Report 2021 is not always the information it provides, but the way it provides this information. Such misrepresentation and misinterpretation of information, coupled with selective omissions of information, perpetuate harmful discourses regarding risk conceptualization and global inequality.

V.A *Isolation of Risk*

The Global Risks Report 2021 defines global risk as "an uncertain event or condition that, if it occurs, can cause significant negative impact for several countries or industries within the next ten years" (WEF, 2021d, p. 87). By creating such a vague definition of risk, the Global Risks Report ferments self-imposed weaknesses that result in incomprehensive policy decisions and the isolation of risk. First, by presenting a non-relational understanding of risk through its structural organization, then, by overlooking the underlying variables of different risks, the Global Risks Report fails to adequately present risk drivers and the web of issues that result from them.

While the Global Risks Report claims to deconstruct the interdependent nature of risk throughout the report, its chapter set-up is inherently sloppy in attempting to display the relational ties between different risks. Because the Global Risks Report is organized by top global trends and not the risks themselves, the document struggles to convey the depth of the risks it cites because there are too many to adequately address.

For example, in Pandemials: Youth in an Age of Lost Opportunity, the eight pages of content, roughly 35% comprising infographics and pictures, range broadly from service-job vulnerability to government corruption in Third World countries. All the sub-headers in the world could not address the surface-level approach to risk in this chapter because there simply is not enough space in eight pages to explain the significance of poverty on violence, educational disparities on upskilling workers, or Schwab's Fourth Industrial Revolution on climate change.

The other chapters in the Global Risks Report follow a similar strain, failing to truly expound on any one particular risk due to the breadth of the umbrella the report forces each chapter to hold. Instead of a document that details the highest projected risks of the next ten years in compounding order, we received six individual eight-page book reports on why globalization is the key to world peace and economic equality. Because the Global Risks Report is structured in this manner, it gets away with scarce mention of real workable recommendations. Instead, it skirts by with abstract concepts like neo-liberalism and cooperation. For example, the Global Risks Report (2021) states that Covid-19 will "further weaken social cohesion and global cooperation," yet gives no definition or specification of the cooperation and cohesion it refers to. This leads to a non-relational conceptualization of risks, which allows the compounding of variables so that the root insecurities that result in these variables are lost.

If risks are approached in isolation, the underlying variables of these risks are overlooked, constructing an echo chamber of insecurities in which problems exacerbate each other to no end. The Global Risks Report's acknowledgment of political dysfunction is a good example because of the way it misrepresents the recent rise of populism and nationalism in more developed countries (MDCs). Defining social fragmentation as an effect of flawed domestic administration and socioeconomic tensions instead of unpacking the variables that led to these systemic failures over-simplifies the complexity of such a phenomenon. This isolated conceptualization of risk results in unsustainable policies and promotes the long-term exacerbation of disparities.

This conceptualization can also contribute to the reproduction of nationalism and other socio-spatial us/them binaries. Polarizing political and media discourses fuel social scientist and geographer Doreen Massey's construct of reactionary senses of place—identity tied to collective communities that reject the outsider or immigrant through a need to preserve a specific group's values (Massey, 1994). By isolating social and political risks, the Global Risks Report fails to comprehensively address the risks that lead to societal fragmentation, which reproduces reactionary constructs of space. Narrowing down the scope of this definition, sociologists Bart Bonikowski and Daniel Ziblatt (2019) argue that the resonance of populist-nationalist movements is largely a function of the shifting context of radical right-wing politics (Bonikowski & Ziblatt, 2019). Bonikowski (2017) also states that the use of populism as an analytical category risks the misconception of its causes and consequences by downplaying the multifaceted elements of radical right-politics, ethnonationalism, and authoritarianism. However, this is exactly what the Global Risks Report does. The WEF establishes polarization as an obstacle for domestic administration and international cooperation instead of an effect of media manipulation and large-scale social changes. Recent rapid social, economic, and cultural changes have cultivated the ideal conditions to promote ethnic nationalism, populism, and authoritarianism—radical-right opinion-makers have taken advantage of this situation (Bonikowski & Ziblatt, 2019). As a result, the Global Risks Report cites these opinion-makers as the cause of fragmentation instead of a byproduct of the environment fragmentation cultivates. This backward conceptualization promotes a surface-level understanding of society-government dynamics and results in ineffective structural adjustment programs. Not only are structural adjustment strategies that result from this conceptualization—like FDI and P3s—paternalistic and assume First World superiority, but they also blatantly ignore the developing country's ability to implement these strategies effectively.

Furthermore, the Global Risks Report's misstatement of insecurity as a cause of further risk rather than an effect of deeply-embedded and structurally-promoted inequalities epitomizes the realist school of thought. The Global Risks Report is a narrative of truth in content, but framing current events as if they are absolute in its narrative negates the perceived possibility of changing the way we address them. The report adds to the echo chamber of surface-level issues, ignoring the constructivist perspective, which states that media like the Global Risks Report aids in concealing inequalities. Inequalities, I might add, that laid the foundation of the WEF's coming to power in the first place.

V.B *Reproduction of First and Third world inequalities*

The Global Risks Report 2021 drives a wedge between the First World and Third World by perpetuating unrealistic assumptions to outline future exploits. This is primarily done by blindly promoting neo-liberal structures of development that favor First World systems of government and regulation. The reproduction of First World and Third World disparities in this way allows a discourse of inequality to underlie international relations, ultimately leading to inefficient policy suggestions and development plans.

For example, the Global Risks Report suggests reskilling and upskilling workers to breach the gap in global technology distribution to better equip developing countries for the surge in technological innovation that is quickly defining business in our world (WEF, 2021d, p.68). While reskilling and upskilling workers is a positive strategy, the obstacles between the conceptualization and execution of this idea highlight a lack of preparation for the deeper implications such a policy would elicit. One such implication is inherent inequality coupled with the Fourth Industrial Revolution.

In the United Nations Chronicle, Fekitamoeloa ‘Utoikamanu (2020) describes the inequalities projected to be exacerbated by the Fourth Industrial Revolution and reveals UN strategies to mitigate them. It is clear that the major component driving unequal distribution of technology is structural limitations, which inhibit sustainable development and full participation in increasingly competitive global markets (‘Utoikamanu, 2020). These structural limitations are flagged by gaps in science, technology, and innovation (STI). ‘Utoikamanu argues that the assumption of imports and FDI aiding developing countries in the form of trickle-down wealth is flawed and, like the isolation of risks, fails to address the root causes of inequality (‘Utoikamanu, 2020). However, FDI and import of capital goods are staples in the neo-liberal agenda that the Global Risks Report pushes in its quest to eradicate global inequality. By failing to develop innovative strategies for wealth redistribution and technological advancements—choosing instead to simply state the broadband power of global cooperation and innovation—the document becomes a finger-pointing report in lieu of a formulated attack strategy against the risks it cites.

Because workers in LDCs are at higher risk of becoming a part of the “digital underclass,” ‘Utoikamanu’s strategies for closing this gap are essential when considering how to promote a discourse that couples technological innovation and inequality mitigation (‘Utoikamanu, 2020). Without active efforts to integrate low-income countries with more grassroots strategies of development, reskilling and upskilling workers will never be attainable. Past-failed structural adjustment programs placed the digital underclass at the mercy of those who control the digital power concentration

(‘Utoikamanu, 2020). The Global Risks Report does not address this caste-like system of digital power, and that’s where the root of its First World and Third World disparity issue lies. This trend of ignoring systemic hierarchical relationships is further expounded upon in the Global Risks Report’s ahistorical representation of risk.

The universal strategies that the Global Risks Report applies to states with drastically different socioeconomic statuses highlights the report’s hypocrisy. The disconnect between the strategies the report suggests and LDCs’ ability to actualize programs that reskill their workforces acknowledges a relatively deeper problem than big themes like healthcare and climate change. Therefore, citing these strategies enforces a flawed structural understanding of risk. For example, when the Global Risks Report states a need to prepare developing countries for the Fourth Industrial Revolution, it ignores the inevitability of the Fourth Industrial Revolution as another driver of deep-seeded inequalities. In this way, the Global Risks Report exacerbates the misinterpretation of risk. By conceptualizing solutions to inequality that require the powerful to take a step back and build a foundation for developing countries so they are able to compete with the world leaders who both create and claim to solve these problems, we reach a moot point in development. LDCs quickly learn that the condition for foreign aid is the responsibility to succeed in the same ways and at the same levels as global powerhouses like the United States and Europe, as seen through examples in the next subsection.

V.C *Ahistorical risk analysis and Third World countries bearing unequal risk burdens*

Ahistorical as a term means to be lacking in historical context, and thus, an ahistorical understanding of risk is to view every occurrence in a vacuum. This section argues that approaching risks out of their historical milieu robs Third World countries of their developmental successes, and absolves the First World of their moral obligation to clean up the messes they create. Particularly, the Global Risks Report's ahistorical approach to risk downplays colonial roots of insecurity, which results in the formation of unrealistic expectations for developing countries in regard to large-scale issues such as healthcare and climate change.

The Global Risks Report suggests stronger government intervention in digital markets to empower consumers and foster competition through regulatory anti-competitive practices (WEF, 2021d, p. 34). However, I argue that in its conceptualization of the Third World, the Global Risks Report ignores the hierarchical inevitability of capitalism. In lieu of addressing systemic wealth disparity, the report promotes capitalism's global reach and the subsequent exploitation that occurs within it. Capitalism fails without hierarchy and implementing capitalistic systems as a fix-all for developing countries only exacerbates the fetishization of freedom that is quintessential to neo-liberal thought. This is a fabulous egalitarian concept, but unrealistic in the face of modern political functionality in a real global society.

When the Global Risks Report links the transformation of industries' reskilling and upskilling to the promotion of multi-stakeholder capitalism, the report blatantly implies that multi-stakeholder capitalism is not viable in our current society/economy due to exploitative business values of moguls in almost every industry. Here, the report acknowledges its own weaknesses. The premise of this multi-stakeholderism is P3s, which are collaborations between private companies and governments primarily created to streamline infrastructural and development plans.

While the promotion of P3s in the Global Risks Report is suggested as a means to combat global economic inequality, the potential volatility of these partnerships remains an under-acknowledged threat. On the one hand, the Technology Bank and Research4Life partnership and P3s arising from a need for vaccine distribution during the Covid-19 pandemic produce positive impacts. However, P3s are also often riskier due to their size and complexity. Given the long-term nature of P3 projects, it is difficult to identify all of the possible contingencies and issues that may arise during the developmental stages of their target projects, and it is also possible that some projects may fail or be terminated prior to their projected term for any number of reasons (The World Bank, 2020). When the livelihoods of real people are involved, hinged on the disparities of economic and technological distribution, failure can mean further disillusionment in both foreign and domestic government institutions, which increases developing countries' instability in a vicious cycle. The Global Risks Report assumes the unmitigated success of this strategy and assumes this structure of development is universally applicable, therefore ignoring the post-colonial limitations of countries where P3s cause more damage than aid.

The presentation of themes like capitalism and P3s reproduces First World and Third World inequalities by ignoring colonial roots of insecurity. Coupled with a lack of transparency and collaboration with the communities these projects are based in, existing measures of resilience are threatened. Municipal water access in a small town in

Khandwa, India rejected by the community less than one month after its implementation, the construction of an airport with insufficient planning and funds in Chinchero, Peru, and the unnecessarily high public burden of the P3-led construction of Queen Mamohato Hospital in Lesotho are all examples of such failures (Eurodad, 2018). By refusing to address the historical risk associated with broadband capitalism and the implementation of P3s emerging from colonial histories, the Global Risks Report perpetuates a discourse that silences LDCs—especially former colonies still negatively affected by vestiges of colonial rule.

The Global Risks Report's ahistorical conceptualization of risk also results in economically and socially unrealistic expectations on LDCs. By equalizing the capabilities of LDCs and MDCs, the report transfers responsibility of major risks such as climate change and healthcare access to the shoulders of developing countries, despite MDCs causing most of these problems.

The Global Risks Report links together vital development initiatives such as "investment in the transition to net-zero carbon emissions and resilience to climate and digital threats, as well as rebuilding social security systems laid bare by COVID-19" (WEF, 2021d, p. 65). The report grants every country responsibility for these issues, making blame the most evenly distributed unit of anything in the world.

The Global Risks Report does this with healthcare through the equalization of "several countries in Europe to India, Mexico, South Africa, and the United States" (WEF, 2021d, p. 18). Comparing the healthcare capabilities of states at different levels of development promotes the conceptualization of these nations as equal in terms of aid capabilities, which allows the implementation of unrealistic MDC-led reactionary policies to shape catastrophic development setbacks like Covid-19 in developing countries. Just as the volatility of P3s is exacerbated by the lack of transparency, the power MDCs hold over LDCs in the face of underperformance on unequal global scales results in the incubation of LDC insecurity veiled as helpful development strategies.

Similarly, the Global Risks Report thrusts climate change onto LDCs by demanding a decoupling of growth and emissions (WEF, 2021d, p. 24). Without giving any suggestions on how LDCs can do this, the report implies that developing states are the primary obstacle in mitigating the effects of global warming. In reality, climate change is largely an effect of the hundreds of years developed countries have spent amassing wealth and power. Never mind that this self-determined measure of success was funded by the subjugation of developing countries that are only now producing the means of production they need to survive in a power-skewed world. The notion that developed global leaders have outgrown their phase of high emissions levels does not presage the practice of transferring blame to developing countries today. Especially when we consider that the carbon-friendly evolution of these leaders' industrialization required the exploitation of developing countries that have no one else to exploit. But then, even when they do, these methods are no longer acceptable.

After identifying this global habit of ahistorical structural adjustment, the Global Risks Report's unaddressed disconnect further reveals itself. LDCs will never be able to match MDCs in socioeconomic terms because the structure of global governance these ideas stem from does not allow for such an equalization. This is why neo-liberalism doesn't work. The socioeconomic hierarchy of countries on this planet requires top-down initiatives, but top-down initiatives only exacerbate the disparities within the hierarchy.

The World Economic Forum aims to mitigate inequality with neo-liberalism. I will not discount the positive impacts foreign aid may have on some communities. However, as long as MDCs function with a mindset of gaining power in order to help those in need of power, there will always be a disparity.

Power is not a net-zero game, nor a finite resource. But, in the current global structure, it is definitely perceived that way. If there is no conceptual abjugation of power and development—development, as it exists in concept as a gain in global wealth and therefore political power that directly results in greater weight of opinion in global institutions—neo-liberalism is Klaus Schwab's pipe dream. Multi-stakeholderism does not work in a world so intrinsically divided by self-perceptions of being either a provider or a receiver. This fuels a global discourse of despots and serfs.

V.D *Recommendations*

The Global Risks Report isolates risk in a manner that conceptualizes the effects of large issues as factors of risk. This leads to a misidentification of risk that promotes the inefficient use of resources. Instead of trying to solve systemic institutional failures by rewriting the boundaries and customs of such failing institutions, the Global Risks Report picks away at the results and effects of these failures by treating them as separate instances, leaving the root cause unaddressed.

In my literature review, I broke the Global Risks Report down by its recurring themes in order to explain what the report is about. If the report itself breaks down those themes, analyzes them to determine their primary stimuli, and organizes the report in sections based around each stimulus, the Global Risks Report may read closer to the integrated omniscience it clearly attempts to portray.

After dividing risks by root cause, chapters should be further organized into three parts. First, an explanation of the root causes that result in the issue, second, the critical historical contexts necessary to understanding where these risks are most prevalent, then third, where this root cause surfaces in other areas and disciplines. In the second subdivision, to avoid over-explanation, linking essential books or articles explaining the historical context at hand will both enhance the depth of the report and allow for a more nuanced understanding of risk for those who are not experts in the field. Then, in the third subdivision I propose for each chapter, the report could use infographics by section, which will allow a more direct application of content than simply dumping spiderwebs of information together at the beginning of the document. Additionally, the third subsection can include a few examples from different regions of the world to show the variability of circumstances these root causes of risk can produce.

Another way to improve the Global Risks Report would be to provide more specific examples of future methods that can address the risks it cites. If the report was designed to be part of the third stage in the WEF's four-stage development plan, providing pathways for future success will aid in its evolution to the fourth stage. For example, by ending with a chapter that, per se, produces models for positive-impact P3s, the Global Risks Report could more accurately describe the importance of these partnerships, define what aspects of certain P3s make them successful, and outline the risks associated with unsuccessful examples. If the WEF's goal is to transform its platform from advocacy to action, including something like this in the Global Risks

Report would be extremely beneficial to prove that the WEF is taking steps towards accomplishing that goal.

As it stands, the Global Risks Report, just like every other structural adjustment program, UN relief group, or success story of a country's developmental success through methods such as industrialization, democratization, and trade liberalization only fuels the narrative of hierarchy. By coupling global power and sustainable economic development and treating socioeconomic gain like a ladder, this report ensures that there will always be disparities. By turning the ladder on its side and promoting alternative aid in the form of microlending, human rights initiatives, MNC regulation, and social accountability, we can allow LDCs to speak and hold positions of power as global equals. With a truly equitable platform that candidly addresses the systemic disparities of global governance and risk conceptualization, large NGOs like the WEF can work towards restructuring the current hierarchy so that neo-liberalism exists in a world that allows its success and multi-stakeholderism plays out closer to its definition instead of as idolatry of equality.

VI. CONCLUSION

This project utilized geopolitical risk theory to break down key discourses presented by the World Economic Forum's Global Risks Report 2021. Specifically, I conducted an examination of the Global Risks Report 2021 to illustrate how popular neo-liberal theories and schools of thought are often applied to risk analysis and its subsequent mitigation in ways that negatively shape power relations and exacerbate inequality at the global scale. By using content analysis and open coding methods to triangulate themes within the report, I revealed its three primary drawbacks.

Such weaknesses include (1) the isolation of risk drivers, (2) the reproduction of First World and Third World disparities, and (3) an ahistorical approach to risk assessment and mitigation which results in undue burden for global risk being placed on post-colonial countries. These flaws are highly interdependent, supporting a larger critique against the overarching neo-liberal application of international relations. An additional limitation identified in the Global Risks Report 2021 is its assumption and deployment of the realist school of thought, curbing its success in projecting future risks. By doing this, the report violates the constructivist school of risk theory, as explained in Beck's (1992) *Risk Society*, which inadvertently increases global risk by circulating risk widely with limited in-depth context or mitigation strategies.

I concluded that the WEF should organize the next Global Risks Report to present the primary factors in risk production. From here, it should deconstruct these factors to develop a framework for grassroots risk conceptualization. By addressing the gap between foreign aid and domestic implementation, as well as the failures of the current system of global governance, the Global Risks Report can act as a trailblazer for accurate risk conceptualization. This will allow for more effective risk mitigation tactics and a more equitable world.

This thesis contributes to the literature on defining and theorizing risk by revealing the primary drawbacks in the Global Risks Report's body and identifying the disconnect between the idealist strategies the Global Risks Report proposes and the global context in which these strategies will function. This research also holds merit through real world application, comparing the ways the WEF defines risk and its impact on policy decisions and material investments. The reproduction and normalization of neo-liberalism as an ideology that influences policymakers, the many attendees at Davos, and readers of the Global Risks Report. Future research on this topic could include the longitudinal analysis of changes in definitions and theorizations of risk by the WEF and the evolution of the WEF's mitigation strategies as they adapt to keep up with exponential technological innovations.

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