

THE RISK UNIVERSE 2012

The WEF's Global Risks 2012 says social inequality, unsafe regulations and cyber neo-tribalism are the top risk management concerns. Chronic fiscal imbalances and severe income disparity are the top long-term risks. This graphic shows the five main "risk constellations" and the interconnections between each.

Illustration: Jamie Sneddon



GLOBAL RISKS 2012 IDENTIFIED THREE KEY RISK SCENARIOS

1 SEEDS OF DYSTOPIA

"Demographic and fiscal trends are colliding to create serious risks for us," Oliver Wyman chief executive John Drzik says. Some of these risks, such as retirement savings provision, are amplified by progress in other areas, such as improvements in healthcare that cause people to live longer, he says. Bulging populations of young people with few prospects, growing numbers of retirees depending on debt-saddled states (stoking fiscal imbalances) and the expanding gap between the rich and poor are fuelling resentment worldwide.

2 UNSAFE SAFEGUARDS

"We need better safeguards that are anticipatory and dynamic," Swiss Re chief risk officer David Cole says. "Our regulations have traditionally been prescriptive, over-complicated, inadequate, fragmented and too slow to

3 THE DARK SIDE OF CONNECTIVITY

"The way the world is connected is a major risk driver," Zurich chief risk officer for general insurance Steve Wilson says. "The Arab Spring demonstrated the power of interconnected communications services to drive personal freedom, yet the same technology facilitated riots in London. Governments, societies and businesses need to better understand the interconnectivity of risk in today's technologies if we are truly to reap the benefits