

How CEOs, experts and philosophers see the world's biggest risks differently

We live in a world threatened by numerous existential risks that no country or organisation can resolve alone, such as [climate change](#), [extreme weather](#) and the [coronavirus](#).

By [Christopher Michaelson](#) 28 Jan 2020



Activist Greta Thunberg was among attendees who want the world's leaders to prioritise fighting climate change.

AP Photo/Michael Probst

But in order to adequately address them, we need agreement on which are priorities – and which aren't.

As it happens, the policymakers and business leaders who largely determine which risks become global priorities [spent a week in January mingling](#) in the mountainous resort of Davos for an annual meeting of the world's elite.

I participated in a global risk assessment survey that informed those at the Davos summit on what they should be paying the most attention to. The results, drawn from experts in a broad range of disciplines including business, happen to be very different from what company CEOs specifically see as the biggest threats they face.

As a [philosopher](#), I found the differences curious. They highlight two contrasting ways of seeing the world with significant consequences for our ability to address societal risks.

Two perspectives on the biggest risks

The World Economic Forum's [Global Risk Report](#) consolidates the perceptions of about 800 experts in business, government and civil society to rank “the world's most pressing challenges” for the coming year likelihood and impact.

In 2020, extreme weather, a failure to act on climate change and natural disasters topped the list of risks in terms of likelihood of occurrence. In terms of impact, the top three were climate action failure, weapons of mass destruction and a loss of biodiversity.

The specific perspective of corporate leaders, however, is captured in another survey that highlights what they perceive as the biggest risks to their own businesses' growth prospects. [Conducted by consultancy PwC](#) since 1998, it also holds sway in Davos. I've been involved in that report as well when I used to work for the organisation.

In sharp contrast to the World Economic Forum's risk report, the CEO survey found that the top three risks to business this year are overregulation, trade conflicts and uncertain economic growth.

Economic or ethical

What explains such a big difference in how these groups see the greatest threats?

I wanted to look at this question more deeply, beyond one year's assessment, so I did a simple analysis of 14 years of data generated by the two reports. My findings are only inferences from publicly available data and it should be noted that the two surveys have different methodologies and ask different questions that may shape respondents' answers.

A key difference I observed is that business leaders tend to think in economic terms first and ethical terms second. That is, businesses, as you'd expect, tend to focus on their short-term economic situation, while civil society and other experts in the Global Risk Report focus on longer-term social and environmental consequences.

For example, year after year, CEOs have named a comparatively stable set of narrow concerns. Overregulation is among the main three threats in all but one of the years – and is frequently at the top of the list. Availability of talent, government fiscal concerns and the economy were also frequently mentioned over the past 14 years.

In contrast, the Global Risk Report tends to reflect a greater evolution in the types of risks the world faces with concerns about the environment and existential threats growing increasingly prominent over the past few years, while economic and geopolitical risks have faded after dominating in the late 2000s.

A philosophical perspective

Risk surveys are useful tools for understanding what matters to CEOs and civil society. Philosophy is useful for considering why their priorities differ, and whose are likelier to be right.

Fundamentally, risks are about interests. Businesses want a minimum of regulations so they can make more money today. Experts representing constituencies beyond just business place a greater emphasis on the common good, now and in the future.

When interests are in tension, philosophy can help us sort between them. And while I'm sympathetic to CEOs' desire to run their businesses without regulatory interference, I'm concerned that these short-term economic considerations often impede long-term ethical goals, such as looking after the well-being of the environment.

An uncertain world

Experts agree on at least one thing: The world faces dire risks.

This year's [Global Risk Report](#), titled, "An Unsettled World," depicts on its cover a vulnerable earth in the shadow of a gigantic whirlpool.

The cover photograph of the [Global CEO Survey](#), which reported the lowest CEO confidence in economic growth since the Great Recession, shows an incoming tide beneath looming dark clouds, with the words: "Navigating the Rising Tide of Uncertainty."

Between the covers, however, the reports demonstrate a wide gap between two influential groups that need to be on the same page if we hope to resolve the world's biggest threats.

Last century, in the same year that World War II drew to a close, Bertrand Russell proclaimed that the [purpose of philosophy](#) was to teach us "how to live without certainty, and yet without being paralysed by hesitation."

In the 21st century, philosophy can remind us of our unfortunate tendency to let economic priorities paralyze action on more pressing concerns.

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