



# NYU 2023

## Global Risk Factors

**A Wikistrat Crowdsourced Simulation**

December 2022

## Introduction

A war in Europe, rising inflation rates, and social turmoils are just some of the events that 2022 has witnessed. But what lies ahead in 2023 as we transition to a post-pandemic world? What will the greatest global risks be?

For the seventh year in a row, Wikistrat partnered with the "Political Risk and Prediction" course at New York University to launch the 2023 "Global Risks" edition – an interactive simulation in which the students collaborated with Wikistrat experts to predict the key risks to global stability in the coming year.

## A Word from the Professor **Maha Hosain Aziz**

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I've been connected to Wikistrat since 2012. I have seen first hand how hardworking, forward thinking and kind the core team is. This is why it was an easy decision to collaborate with Wikistrat in several crowdsourced projects with my NYU grad students in my risk and prediction course.

This project has been an incredible opportunity for students to apply the risk analysis skills they cultivate in the classroom in a practical, real-world format through the Wikistrat platform – incredible value added to their education.

In order for governments and corporates to better understand a world of growing global risk this decade, Wikistrat will have a key role to play. And I do look forward to more NYU collaborations with Wikistrat's team too!



*Prof. Hosain Aziz focuses on global risk & prediction as an MA in IR professor at NYU and an expert at the World Economic Forum's Global Future Council on Frontier Risks. Her first and award-winning bestseller on global risk, *Future World Order* (2020), investigates the global legitimacy crisis of the 2010s that will deepen in the 2020s; the sequel, *Global Spring*, on the post-pandemic era, is out in Spring 2023.*

# Simulation Overview



## Phase I: Exploring Risks

December 7 - 13

In the first phase of the simulation, the crowd collaborated in order to identify and define the key risks to global stability in 2023.



**89**  
*risks were  
identified in total*



## Phase II: Voting

December 13

In the final phase of the simulation, the participants voted on the different scenarios that might impact global stability in 2023.



**Background**  
Background and instructions for the simulation.



**Participants**  
See which analysts are participating in this simulation.



**Example**  
View an example of a risk to understand the format before sharing your own.

DECEMBER 2022	SUN	MON	TUE	WED	THUR	FRI	SAT
	27	28	29	30	1	2	3
	4	5	6	7	8	9	10
	11	12	13	14	15	16	17
	18	19	20	21	22	23	24
	25	26	27	28	29	30	31



Geopolitical Risks



Shock Events



Economic Risks



Political Risks



Social Risks

## Participants



80  
participants



NEW YORK UNIVERSITY

12  
students



68  
experts

### Wikistrat Community Members



Private industry

29



Government

5



Academia

15



Military

4



Think Tanks

6



Other

9

## A Word from the Participants

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Participants were challenged to make urgent policy discussion forums with limited information. Each problem and choice had serious health, economic and social ramifications.

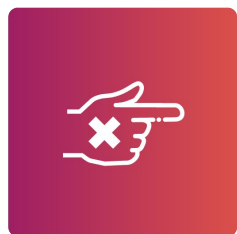
The simulation was a compelling means for showing where more preparedness needs to be done even, new decisions need to be made, and where the limits are in our ability to respond. Overall, this was a very good reminder and example of the power of exercises to bring to light response ideas that are new, as well as problems that aren't visible or broadly understood, and/or are fading from the priority list.

[What I enjoyed most was the] opportunity to interact and share perspectives on present and expected economic, political and security challenges in the international system with academics, policy practitioners, and graduate students across multiple academic and professional disciplines and issue areas.

# Top Political Risks

The crowd identified 17 political risks to global stability in the coming year. Below are the top three:

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## False Allegations of Fraudulent Elections

 MEDIUM RISK

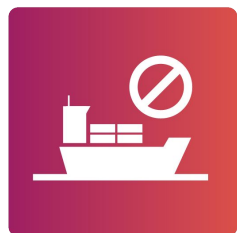
False claims of fraudulent elections will surface more in 2023. These claims of corruption and fraud have the potential to undermine the legitimacy, functionality, and effectiveness of the democratic system. The result is distrust of the government, violence, and a turn towards authoritarianism, and authoritarian leaders will exploit these claims to strengthen their rule.



## The Enhanced Crisis of Democracy

 HIGH RISK

The global crisis of democracy has manifested itself for over a decade, and it is expected to be enhanced in 2023. Furthermore, it is not certain what the alternative might prove to be other than dictatorship, the continued spread of disinformation, political instability, and a threat to world peace.



## Maritime Risks Are on the Rise

 HIGH RISK

Political disagreements and territorial disputes might lead to sanctions, naval obstructions, and cyberattacks, capable of affecting shipping. Since around 90% of traded goods are carried over the waves, these facts are likely to affect trade and supply chains.



# Top Geopolitical Risks

The crowd identified 27 geopolitical risks to global stability in the coming year. Below are the top three:

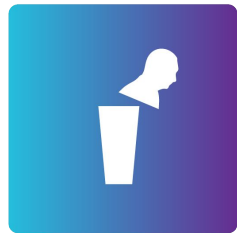
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## A Global Food Crisis



A significant food crisis, exacerbated by the Russian invasion of Ukraine, is already taking place worldwide. The war has also affected food prices, which makes food inaccessible in some countries. Countries like China, where citizens' access to food is dependant on the government's regulations, further aggravate the situation.



## The Collapse of the Putin Regime in Russia



Putin might be expelled from power due to internal economic, political, and security issues. This could lead to violence due to the nature of the Russian regime and its modes of operation, but it could be seen as an opportunity for the opposition and for other political parties, such as Yabloko and the People's Freedom Party (PARNAS), to emerge and take a place in Russian political life.



## Iranian Cyberattacks



Cyberattacks issued by Iran rise and represent a threat for governments. In 2022, they destabilized Albanian governmental websites and services. The limits imposed by the JCPOA are not going to be taken into account because of the program for the enrichment of uranium.



# Top Social Risks

The crowd identified 13 social risks to global stability in the coming year. Below are the top three:

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## Disinformation

 **HIGH RISK**

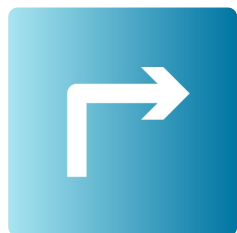
A combination of three separate events and domains may mean the downfall of information in 2023: the technological failure, bankruptcy, or sale of Twitter; the banning of TikTok as a move that aligns with the great-power competition; and incomplete and fallacious reporting in traditional media.



## Environmentalist and Left-Wing Violent Movements

 **MEDIUM RISK**

As governments and corporations falter with climate goals, frustration and desperation may lead to a violent approach by environmentalists. Furthermore, the economic downturn in which fossil fuel companies are criticized for profiting from pollution while taking advantage of the working class, may lead to increased cooperation between left-wing groups, which may add a revolutionary zeal to the movement.



## Rise of the Alt-Right in Europe

 **MEDIUM RISK**

The alt-right movement in Europe has risen steadily for the past several years, yet has remained largely disorganized. The European unity on Ukraine, the end of COVID lockdowns, and the isolation of Russia are likely to prompt alt-right consolidation in 2023.

# Top Economic Risks

The crowd identified 11 economic risks to global stability in the coming year. Below are the top three:

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## Europe's Energy Crisis

 **HIGH RISK**

The European Union may run out of natural gas supplies before 2024 if a cold winter causes above-average demand. The issue comes with 12 of the European Union countries having their gas supply shut off entirely or partially by Russia. Europe's energy problems are likely to significantly deteriorate if Russia's conflict in Ukraine is not resolved.



## Global Recession

 **HIGH RISK**

In 2008-2009, interest rates were at their highest and the housing market went down drastically, leading to many foreclosures due to layoffs. It is felt by many investors and businesses that such an event might happen again.



## Global Supply-Chain Problems

 **MEDIUM RISK**

Transnational conflict, extreme weather, and politics are expected to worsen the global supply-chain problem. The war in Ukraine and extreme weather events such as wildfires, droughts, and unprecedented flooding will have global economic repercussions.

# Top Shock Events

The crowd identified 21 shock events that might impact global stability in the coming year. Below are the top three:

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## China's Invasion of Taiwan



An invasion of Taiwan by China might have greater trade and economic repercussions than Russia's invasion of Ukraine. The Indo-Pacific region would enter a protracted, wide-ranging conflict that may involve direct strikes on the United States.



## Far-Right Extremist Attack in Western Europe



Following the surge of anti-immigration sentiment following the 2015 migrant crisis, hate-oriented communities against political opponents, ethnic minorities, homosexuals, and other communities have grown rapidly in Western Europe. Such groups might successfully execute a large-scale terror attack.



## Climate Disaster Hits Major Global City



A climate disaster hitting a major city such as New York or London isn't a question of if but when. A number of countries are already in the process of moving their capitals due to climate change, rather than for political or security concerns, which emphasizes the vast implications of such an event.

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For more information on Wikistrat's educational simulations and other services, contact: **[tali@wikistrat.com](mailto:tali@wikistrat.com)**

