

# **Facing Global Risks with Honest Hope**

## Transforming Multidimensional Challenges into Multidimensional Possibilities

We are facing a polycrisis—the actualization of many risks at once, which overlap and interact. This polycrisis is not simply a perfect storm of events erupting at the same time by coincidence but stems from shared roots: society’s Great Acceleration in social and economic development since the middle of the 20th century. This includes a rapid increase in industrial and technological development, particularly post–World War II, which has accelerated the exploitation of our natural resources, a climate crisis, increasing disparities between people and nations, growing conflict around the world, and destabilized political systems. This polycrisis is thus not a neutral or natural phenomenon, but the result of failure to acknowledge and mitigate systemic risk.

This context calls for a radical rethinking of risk, beyond traditional approaches focused on single harms to single organizations, communities, or people. ASRA defines “systemic risk” as the potential for multiple, increasingly severe, abrupt, differentiated yet interconnected, and potentially long-lasting and complex impacts on coupled natural and human systems. This definition highlights the critical importance of addressing systemic risk for the prosperity of all people, societies, species, and ecosystems.

Yet societies still lack the capacities and capabilities to understand, assess, and respond to systemic risk. Doing so requires a firm grounding in principles, including placing justice, transparency, participation, multiple lines of evidence and ways of knowing, a recognition of complexity and uncertainty, and the sanctity of non-human life at the heart of systemic risk thinking. In other words, it requires a radical rethinking of risk for whom and from what, when, and where.

There are promising signs that some sectors are starting to assess and respond to risks more systemically. For example, the finance sector (following the global financial crisis in particular) is much more aware of systemic risks both within the financial system and between financial and other systems, including climate and biodiversity. Environmental science recognizes planetary boundaries representing guardrails that define a safe operating space for humanity around climate, pollution, and critical biological, chemical, and physical processes, as well as dangerous tipping points around Earth systems. Insurers increasingly assess extreme disruptions, such as to two or more food-producing regions simultaneously under extreme weather. And assessments around multiple natural and human-made hazards, largely driven by the 2015 Sendai Framework on Disaster Risk Reduction, are becoming more commonplace.

Yet much more is required. New methodologies and tools for systemic risk assessment and response are needed, as well as new lines of data and evidence, that incorporate multiple ways of knowing across quantitative and traditional knowledge. Shifting mindsets from short-term crisis response to long-term strategic foresight, and from siloed disciplinary thinking to genuine transdisciplinarity, are critical. Working collectively, multilaterally, and with justice and diverse, meaningful participation is central to achieving effective systemic risk assessment and response at multiple scales. Communicating systemic risk as part of a societal dialogue that speaks to people’s needs, values, and concerns is equally necessary. These capacities can only be developed with a radical increase in systemic risk funding.

To achieve these changes, this report recommends the following:

1. Governance organizations at all scales should nurture roles and responsibilities so that leaders have the express authority, mandate, and adaptive capacity to assess and respond to systemic risk.
2. Corporations, financial institutions, and regulators should redirect capital and spending to address systemic risk.
3. Citizens, civil society, and advocates should be supported to engage in public and private sector decision-making processes, and take an active role in these processes.
4. Private and public sector data generators and data holders should develop and share new evidence and datasets fit for systemic risk assessment and response.
5. Research bodies, agencies, and institutes of education should foster a necessary renaissance in research and education in systemic risk, and rapidly “upskill” for a polycrisis world.
6. Philanthropic, public, private, and multilateral funders should radically increase funding to meet systemic responses and transformation across sectors.

The costs of recent systemic crises—societally, economically, and environmentally—are significant. And time is against us. Rapidly enhancing our ability to assess and respond to systemic risk is vital for achieving a safer future for people, the planet, and all living ecosystems.

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