



# YOU ARE WHAT YOU RISK:

What Different Global Risk Choices  
Mean for US National Security

SMA Briefing  
January 19, 2022

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**THE GRAY RHINO**  
and  
**YOU ARE WHAT YOU RISK**



# China's Risk Priorities Framed as Gray Rhinos

THE WALL STREET JOURNAL.

HEARD ON THE STREET

## Look for Gray Rhinos, Not Black Swans, in China's Financial Zoo

The main risk to the country's financial system is the threats everyone knows about



- **Liquidity, credit, shadow banking, abnormal capital market fluctuations, insurance market and property bubbles, online financial products and services.** *People's Daily*, July 2017
- **US tax cuts.** Senior Beijing officials quoted in the Wall Street Journal, December 2017
- **Politics, ideology, economy, science and technology, society, the external environment, and party building.** Xi Jinping speech, January 2019
- Aging society and the resulting pension fund shortage. Wang Xin, head of the research bureau of the People's Bank of China, October 2019
- **Real estate industry.** Guo Shuqing, China's top banking and securities regulator, November 2020 (alongside comments about fintech risks)
- **Major shortage of primary goods.** Han Wenxiu, CCP deputy director of the Central Economic and Financial Commission. December 2021

# National Risk Fingerprints

- **Culture**

Social trust and cohesion, risk literacy, individualism vs collectivism, citizens' sense of agency, geography trust in government, trust in science

- **Experience**

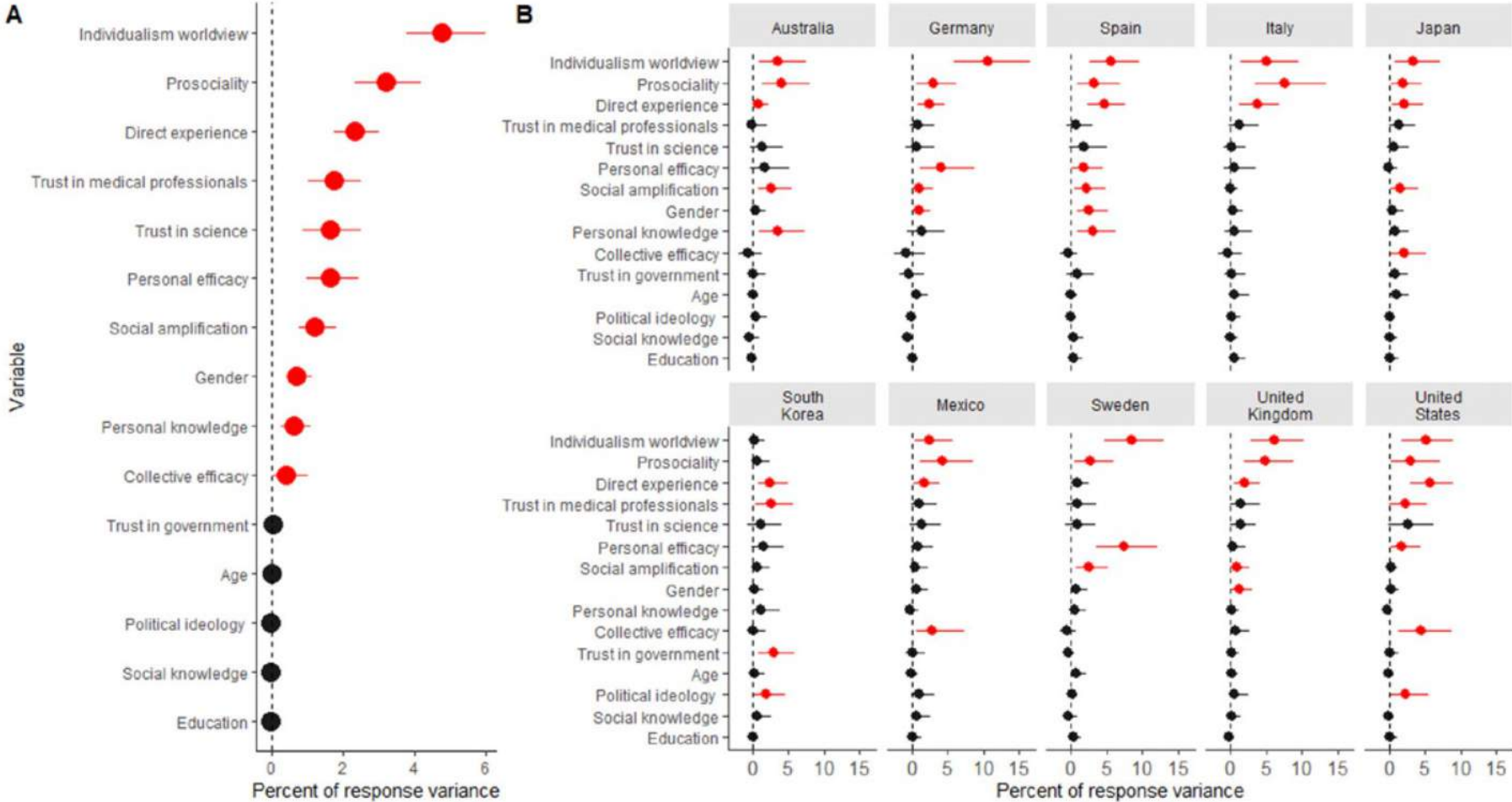
Past disasters or shocks; record of policy successes and failures; current domestic and geopolitical issues

- **Policy Environment/“Risk Ecosystem”**

Disaster relief/emergency response capacity, public health systems effectiveness, national security capabilities and attitudes, risk communications, social safety nets, form of government, effectiveness of government, distribution of risks assumed by government vs corporations vs citizens, insurance uptake, access to capital, justice and accountability



# COVID Risk Perceptions



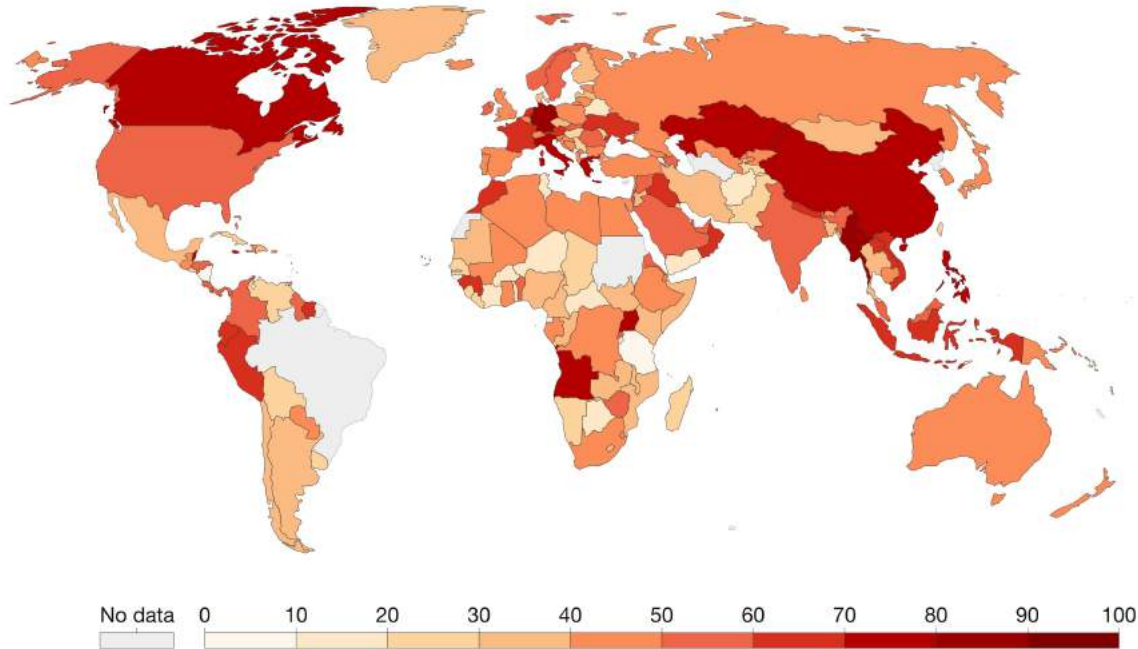
**Figure 2.** Relative importance of individual predictors for the pooled and per country models with 1,000 bootstrapped 95% confidence intervals. Red dots denote confidence intervals that do not include zero. *Note:* The figure visualizes the percent that each variable contributes out of the total variance explained in each model ( $R^2$ ).

Source: Sarah Dryhurst, Claudia R. Schneider, John Kerra, Alexandra L. J. Freeman, Anne Marthe van der Blesa, David Spiegelhalter, and Sander van der Lindena. "Risk Perceptions of Covid-19 around the World." *JOURNAL OF RISK RESEARCH* 2020, VOL. 23, NOS. 7–8, 994–1006 <https://doi.org/10.1080/13669877.2020.1758193>

# COVID Policy Responses

## COVID-19 Stringency Index, Jan 12, 2022

The stringency index is a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest). If policies vary at the subnational level, the index shows the response level of the strictest subregion.

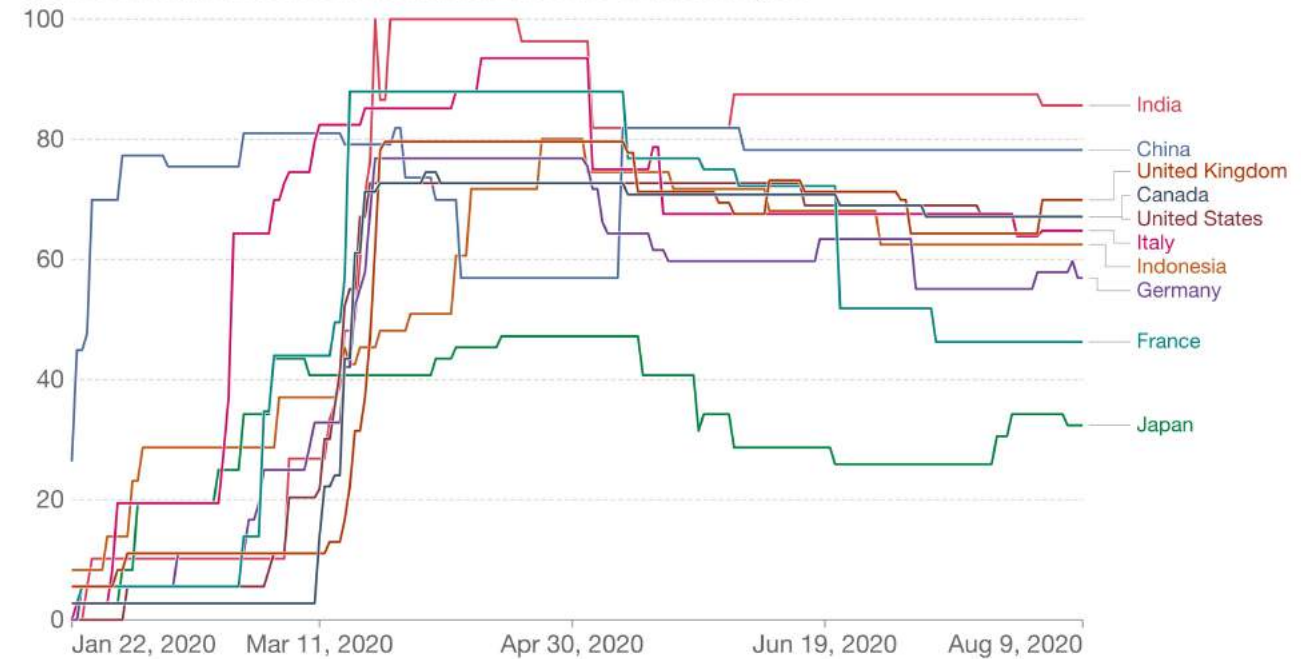


Source: Oxford COVID-19 Government Response Tracker, Blavatnik School of Government, University of Oxford – Last updated 18 Jan 2022, 03:50 (London time)  
OurWorldInData.org/coronavirus • CC BY

## COVID-19 Stringency Index

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Our World  
in Data



Source: Oxford COVID-19 Government Response Tracker, Blavatnik School of Government, University of Oxford – Last updated 18 January 2022, 03:50 (London time)  
OurWorldInData.org/coronavirus • CC BY

# Impact of Cultural Tightness on Covid Deaths

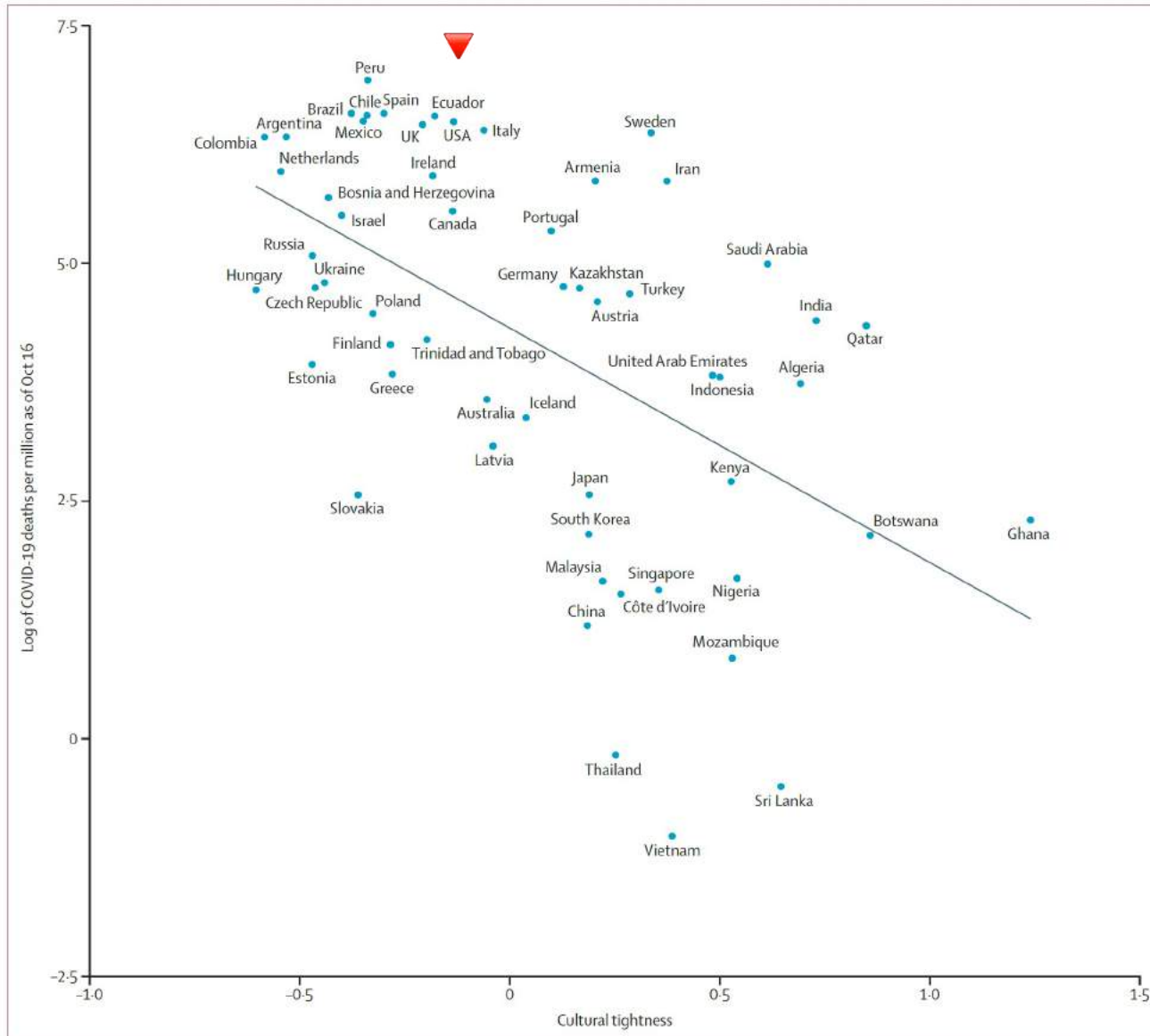


Figure 2: The association of cultural tightness and logged deaths per million (Oct 16, 2020)

This scatterplot does not include any covariates.

Source:

Michele J Gelfand, Joshua Conrad Jackson, Xinyue Pan, Dana Nau, Dylan Pieper, Emmy Denison, Munqith Dagher, Paul A M Van Lange, Chi-Yue Chiu, and Mo Wang.

“The relationship between cultural tightness–looseness and COVID-19 cases and deaths: a global analysis.”

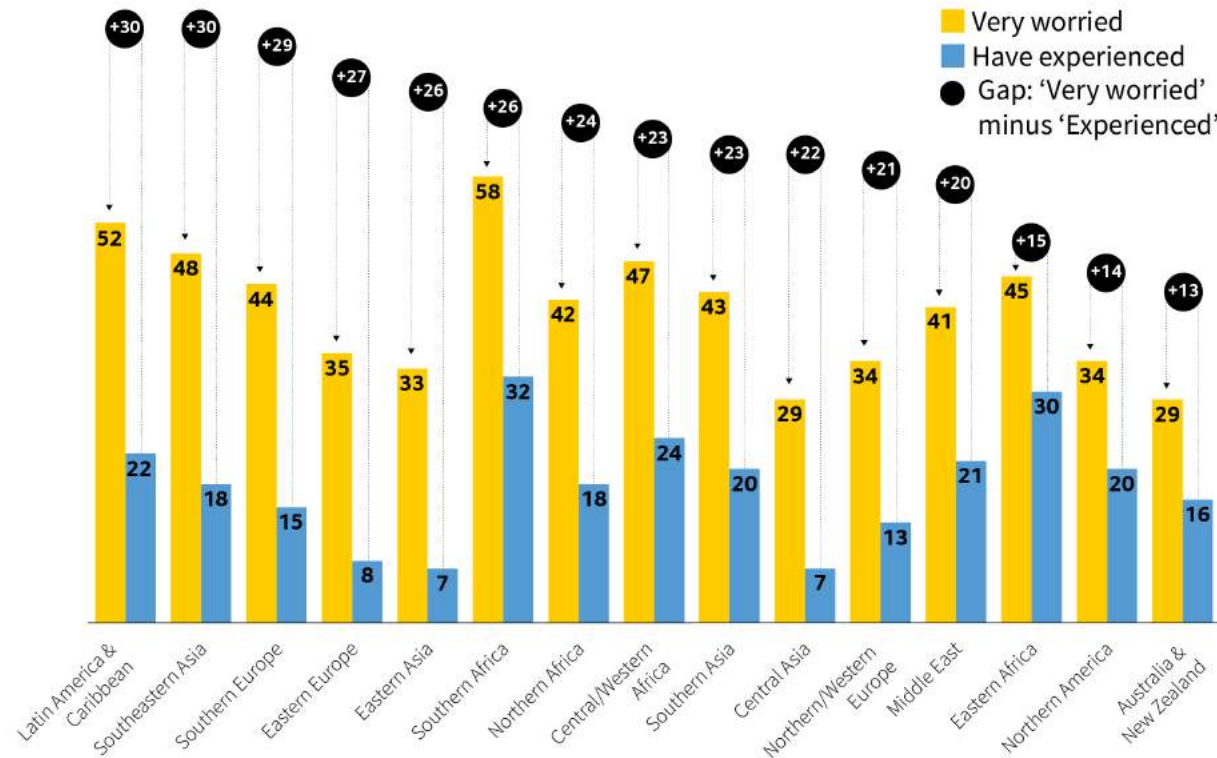
*Lancet Planet Health* 2021.

January 29, 2021.

[https://doi.org/10.1016/S2542-5196\(20\)30301-6](https://doi.org/10.1016/S2542-5196(20)30301-6)

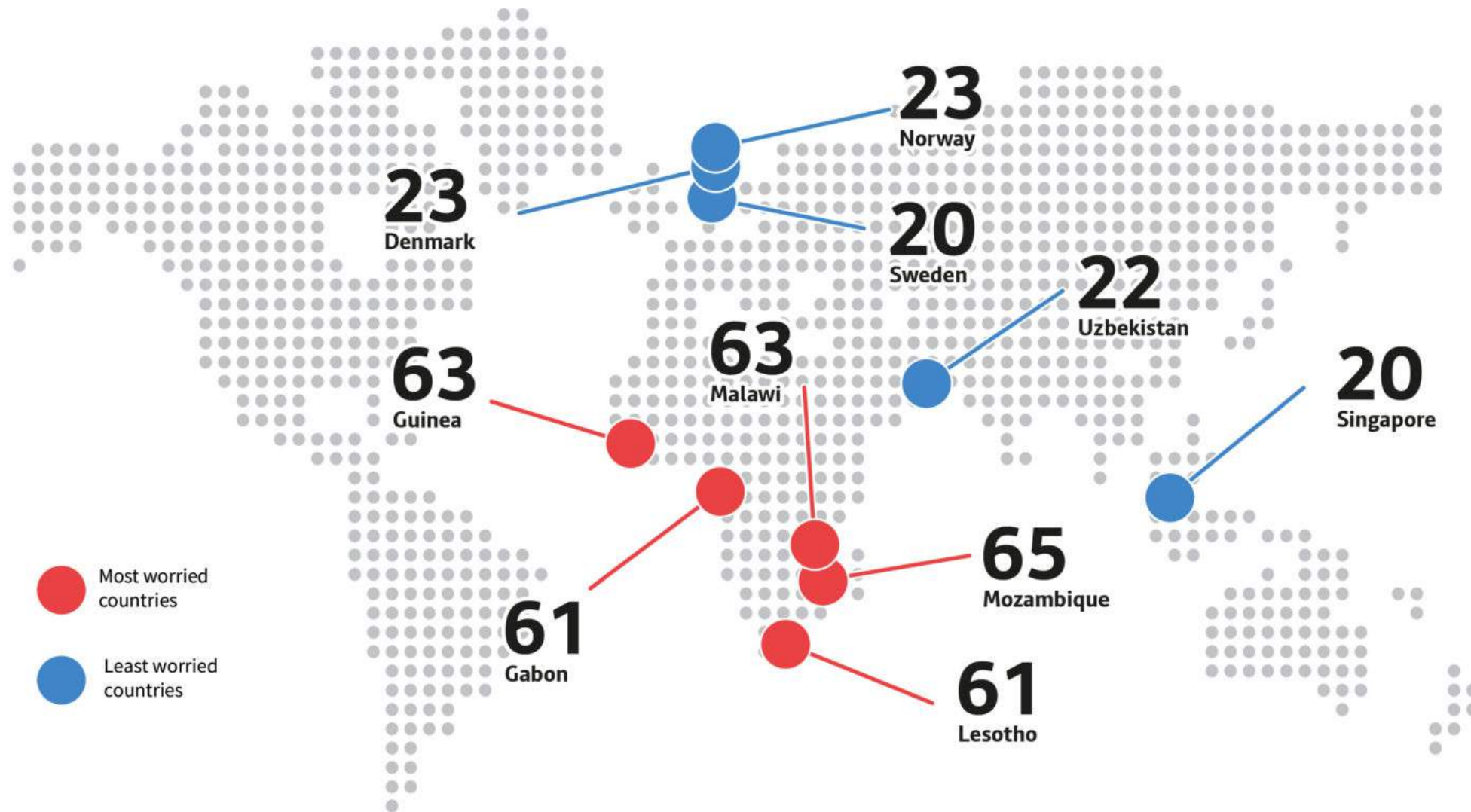
# Lloyd's Register Foundation World Risk Poll

## The risk perception gap by region



The Worry and Experience Index shown by region. The indices measure worry and experience across seven everyday hazards. (region index scores out of 100)

# Lloyd's Register Foundation World Risk Poll





# IPSOS Perils of Perception



# Perceptions of Impact of Technology

- North American Respondents:  
AI beats humans by 2091  
(70 years from now)
- Asian Respondents:  
AI beats humans by 2048  
(26 years from now)
- Overall prediction:  
Robots will take over  
all human jobs by 2136

Source:

Future of Humanity Institute, "When Will AI Exceed Human Performance? Evidence from AI Experts."  
May 2017

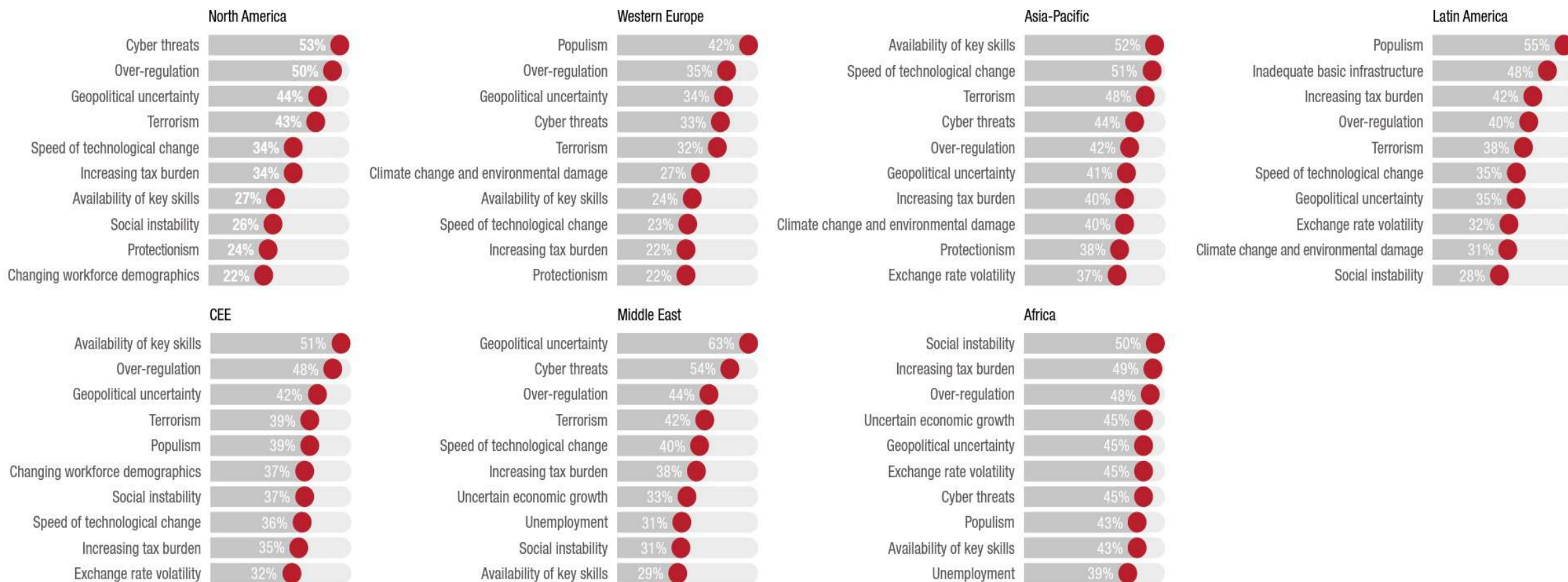
# PWC CEO Survey 2018

Exhibit 8

## The perception of top threats varies by region

Q Considering the following threats to your organisation's growth prospects, how concerned are you about the following?

**i** Chart shows percentage of respondents answering 'extremely concerned'.



# Pew Research Center 2020

## Majorities most consistently cite climate change, spread of infectious diseases as threats to their country; relatively few mention large-scale migration

% who say \_\_\_ is a major threat to their country

	Global climate change	The spread of infectious diseases	Terrorism	Cyberattacks from other countries	The spread of nuclear weapons	The condition of the global economy	Global poverty	Long-standing conflicts between countries or ethnic groups	Large numbers of people moving from one country to another
U.S.	62%	78%	69%	74%	65%	55%	56%	54%	35%
Canada	67	67	47	59	51	60	50	36	36
Belgium	70	69	68	61	59	56	55	46	39
Denmark	60	59	51	66	35	40	38	43	45
France	83	74	80	71	71	67	73	62	44
Germany	69	55	59	64	63	45	58	46	41
Italy	83	69	68	53	73	55	67	49	39
Netherlands	70	62	56	65	53	47	50	47	38
Spain	83	78	74	59	71	76	73	48	49
Sweden	63	56	49	53	41	40	36	39	40
UK	71	74	65	63	50	65	51	50	39
Australia	59	68	45	70	46	61	42	41	41
Japan	80	88	77	83	87	74	51	49	38
South Korea	81	89	67	83	79	83	57	71	52
<b>14-COUNTRY MEDIAN</b>	<b>70</b>	<b>69</b>	<b>66</b>	<b>65</b>	<b>61</b>	<b>58</b>	<b>53</b>	<b>48</b>	<b>40</b>

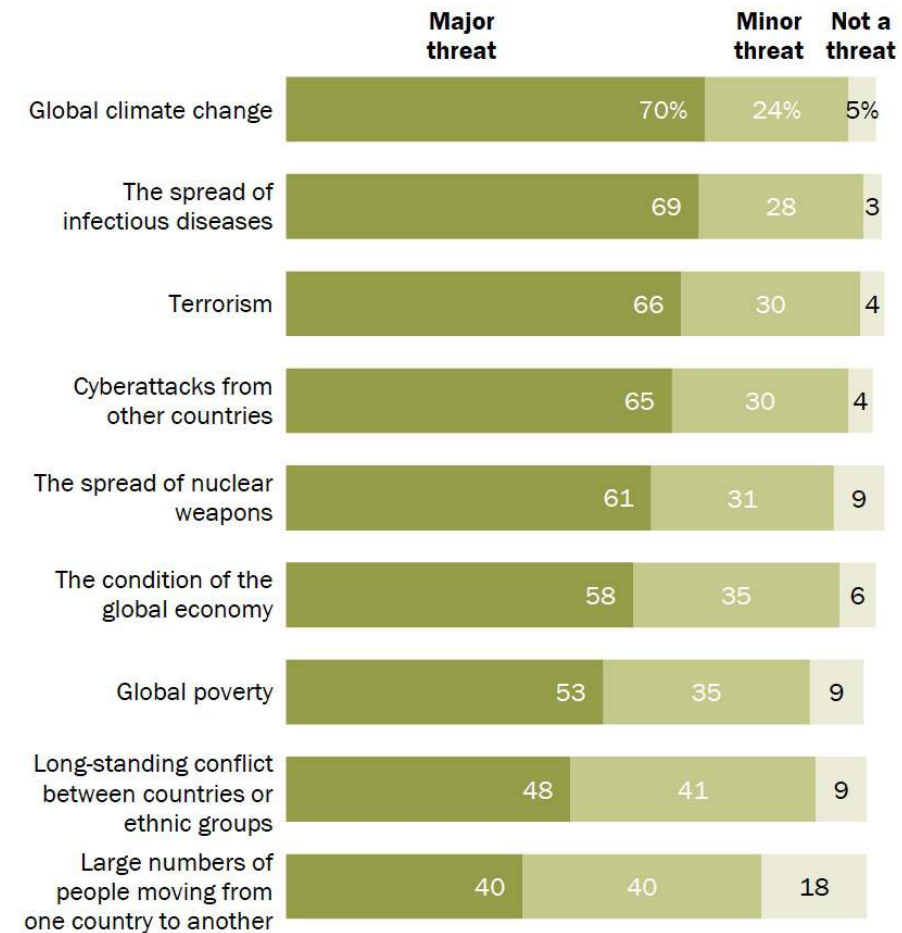
Source: Spring 2020 Global Attitudes Survey. Q13a-i.

"Despite Pandemic, Many Europeans Still See Climate Change as Greatest Threat to Their Countries"

PEW RESEARCH CENTER

## Across 14 countries polled, climate change and infectious diseases top list of global threats

Median % who say the following are a \_\_\_ to their country



Note: Percentages are medians based on 14 countries surveyed: U.S., Canada, Belgium, Denmark, France, Germany, Italy, Netherlands, Spain, Sweden, UK, Australia, Japan and South Korea. Those who did not answer are not shown.

Source: Spring 2020 Global Attitudes Survey. Q13a-i.

"Despite Pandemic, Many Europeans Still See Climate Change as Greatest Threat to Their Countries"

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# Global Challenges Foundation 2018

WMDS, WAR AND CLIMATE CHANGE ARE RANKED AS TOP 3 RISKS TO TACKLE URGENTLY IN ALL REGIONS EXCEPT ASIA

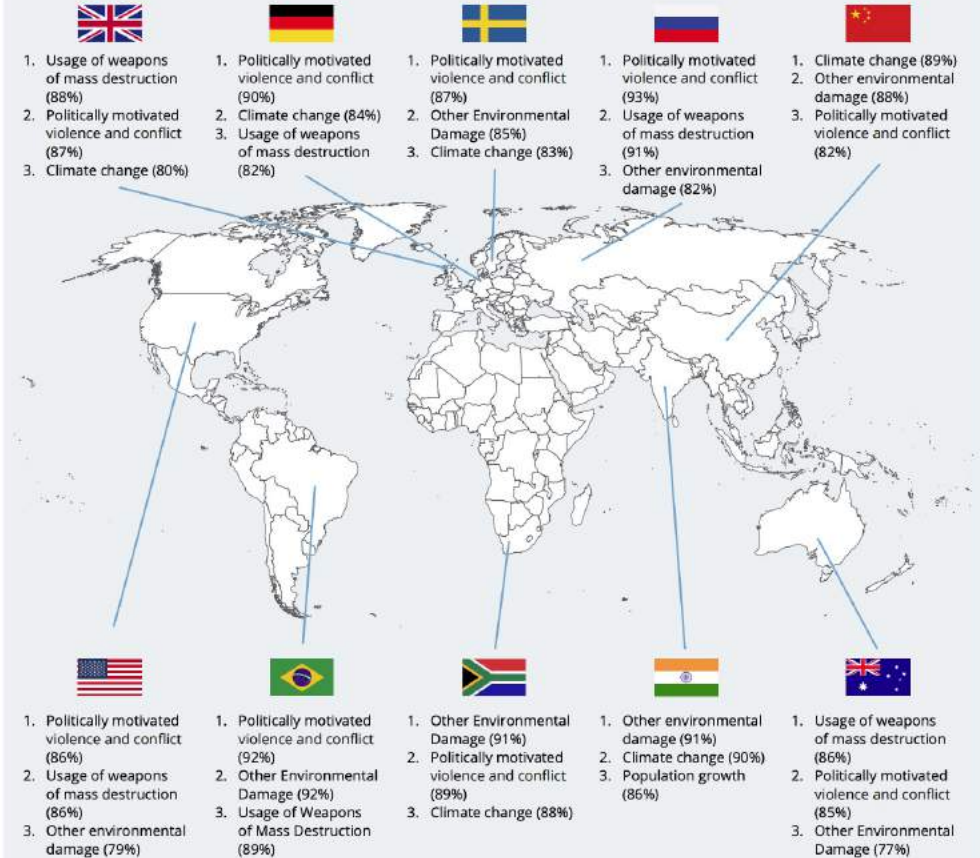
Perceived urgency of response, risks ranked in top 3 most urgent, by country, all respondents



Q3. And how urgently do you think each of the following needs to be responded to? All respondents (n=10030)

WITH THE EXCEPTION OF INDIA, POLITICAL VIOLENCE IS CONSIDERED ONE OF THE TOP THREE RISKS IN EVERY COUNTRY

Issues most considered as global catastrophic risks, NET agree (strongly + tend to), by country, all respondents



Q2. Below is a list of some events and threats that have been identified as global catastrophic risks. These are hypothetical future events that have the potential to affect 10% of the global population, or more. How much do you agree or disagree that each of the following could be considered as a global catastrophic risk? Base: All respondents (10030)

# Pew / Bertelsmann

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## Americans, Germans Prefer Own Standards

*% trust American/European standards for \_\_\_\_\_*

	U.S.		Germany	
	European standards	American standards	European standards	American standards
	%	%	%	%
Auto safety	33	55	91	4
Data privacy	29	49	85	3
Environmental safety	27	60	96	2
Food safety	22	67	94	2

Source: Pew Research Center - Bertelsmann Foundation survey. Q4a-d.

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Source:

“Support in Principle for US-EU Trade Pact,”  
Pew Research Center in association with  
Bertelsmann Foundation, Washington, DC.  
April 9, 2014

# Ulrich Beck: World Risk Society

“The less calculable risk becomes... the more weight culturally shifting perceptions of risk acquire, with the result that **the distinction between risk and cultural perception of risk becomes blurred**. The same risk becomes ‘real’ in different ways from the perspective of different countries and cultures....

**The more the world contracts as globalization progresses, the more these clashing cultural perceptions stand out as mutually exclusive certainties.”**

--Ulrich Beck, *World at Risk*

Cambridge, UK: Polity Press, 2009

Originally published as *Weltrisikogesellschaft*. Frankfurt: Suhrkamp, 2007

# Resources for Further Reading

- David Wallace-Wells. [“How the West Lost Covid: How did so many rich countries get it so wrong? How did others get it so right?”](#) *New York Magazine*, March 15, 2021.
- Sarah Dryhurst, Claudia R. Schneider, John Kerra, Alexandra L. J. Freeman, Anne Marthe van der Blesa, David Spiegelhalter, and Sander van der Linden. “Risk Perceptions of Covid-19 around the World.” *JOURNAL OF RISK RESEARCH 2020*, VOL. 23, NOS. 7–8, 994–1006 <https://doi.org/10.1080/13669877.2020.1758193>
- Christopher T. Lee and Tom Frieden. [“Why Even Well-Prepared Countries Failed the Pandemic Test,”](#) *Foreign Affairs*, March 29, 2021.
- Michael Siegrist and Angela Bearth. “Worldviews, trust, and risk perceptions shape public acceptance of COVID-19 public health measures.” *PNAS* June 15, 2021 118 (24) e2100411118; <https://doi.org/10.1073/pnas.2100411118>
- Thomas Hale, Noam Angrist, Rafael Goldszmidt, Beatriz Kira, Anna Petherick, Toby Phillips, Samuel Webster, Emily Cameron-Blake, Laura Hallas, Saptarshi Majumdar, and Helen Tatlow. (2021). “A global panel database of pandemic policies (Oxford COVID-19 Government Response Tracker).” *Nature Human Behaviour*. <https://doi.org/10.1038/s41562-021-01079-8>
- Michele J Gelfand, Joshua Conrad Jackson, Xinyue Pan, Dana Nau, Dylan Pieper, Emmy Denison, Munqith Dagher, Paul A M Van Lange, Chi-Yue Chiu, and Mo Wang. The relationship between cultural tightness–looseness and COVID-19 cases and deaths: a global analysis.” *Lancet Planet Health* 2021. Published online January 29, 2021. [https://doi.org/10.1016/S2542-5196\(20\)30301-6](https://doi.org/10.1016/S2542-5196(20)30301-6)
- Lloyd’s Register Foundation World Risk Poll: <https://wrp.lrfoundation.org.uk/>
- IPSOS Perils of Perception Index: <https://perils.ipsos.com/>
- Global Challenges Foundation: <https://globalchallenges.org/initiatives/analysis-research/reports/>
- Pew Research Center: <https://www.pewresearch.org/>



# Thank you!

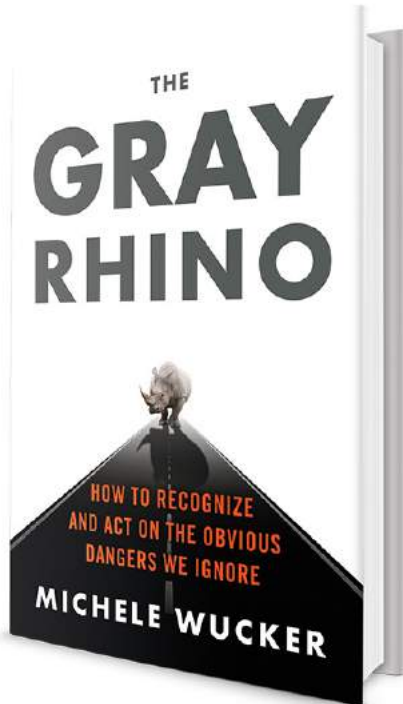
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