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THE INSTITUTE OF STRATEGIC RISK MANAGEMENT

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CENTRE FOR THE STUDY OF WICKED PROBLEMS

GLOBAL RISK REVIEW

JANUARY 2026

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A MESSAGE FROM DR DAVID RUBENS

As we approach the middle of January 2026, it feels as though the world is in as much mess as it was in 2025.

There has always been a part of the collective human psyche that has looked forward to ‘The End of Days’ – that time when the world as we know it comes crashing down, leaving death, destruction and chaos in its wake – though hopefully as a harbinger of better times to come. Whether it is the Apocalypse and Revelation of Christianity, Qayyimah of Islam, Kali Yuga of Hinduism or Ragnarök of Norse mythology (where the gods fight giants, monsters are unleashed, Odin and Thor die, the world burns and sinks into the sea and then is reborn greener and purified), there is a common thread that recognises that the degeneracy of the present generation of humanity is not worthy of this world that we have been given, and that there is the need for a cycle of destruction and renewal.

This may be a reflection of the reality that we will experience, it certainly seems to work as a metaphor. So, how has 2026 gone so far? It started out with the President of the United States approving an operation to kidnap the President of Venezuela, together with his wife, in a complex military operation involving over 150 planes, special force units, naval support and high-level operational oversight. President Maduro was widely recognised as having stolen the previous election, was responsible for the narco-terrorism activities of Venezuela and was, in many ways, not the sort of person you would invite to your daughter’s wedding. However, that is not considered as justification for what was in all effects an invasion, albeit a short-lived one. Trump followed up by saying that the US would take responsibility for managing Venezuela and that US oil companies would move in to take control of Venezuela’s oil reserves, the largest in the world.

Having achieved what he and his team considered an outstanding success, Trump went on to warn both Cuba and Iran that they were being considered as viable targets and that, in Trump’s phrasing, the US was ‘locked and loaded’ to go into Iran to support protestors who were being attacked on the streets by government forces. He went on to repeat a claim made earlier that Greenland should be brought under US control as a matter of immediate national security, and seemed to imply that military force was an option if other arrangements could not be agreed.

Internally in the US, the shooting of Renee Nicole Good, a 37-year-old mother of three, who was killed by ICE agents as they tried to prevent her driving away in her car after being told to get out of the vehicle, became a symbol of the escalating tensions created by having masked agents on the streets with seemingly no limits to their powers and no oversight of their actions. As the shooting was described by the Vice President JD Vance as a justifiable action against a ‘domestic terrorist’, and was described by others as murder, the polarization between an increasingly autocratic government and its own citizens (as well as leaders at community, city and state level) is leading to tensions that could undoubtedly escalate into scenes of widespread disorder that would outdo anything seen so far. In a wider context, the section headings in the month’s report seem to capture the general zeitgeist: Global fragmentation, Democratic governance under strain, Extremism is becoming normalised, Social Media as a risk multiplier, moral collapse, human consequences.

Wherever you are in the world, and whatever your role, the ISRM monthly Global Risk Review is fast becoming recognised as an invaluable resource in keeping track of the emerging trends, based on first-hand reports from people living in the midst of those realities and able to give a perspective that is both personal and conceptual.

These trends and events are all separate and unique at the same time as they are part of the fabric of the societies we are living in. If there is one thing we can be certain of, it is that we no longer have the luxury of considering ourselves as separate or immune from the greater forces that are shaping the world we live in.

I hope that there is something in this month's report that has value for you, and if so, please feel free to join us on our Global Risk Forum calls that take place every week, and which offer YOU a platform to share your views and be part of an on-going dialogue and the global community that supports it.



David Rubens

Executive Director, ISRM

10th January 2026



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OVERVIEW

The January Global Risk Review Report delivers concise, strategic analysis of key geopolitical, economic and humanitarian developments shaping global stability. This edition highlights a world undergoing rapid and interconnected transformation. Traditional alliances are under strain; strategic ambiguity is rising and regional tensions—from Europe and the Middle East to South and Southeast Asia—continue to escalate amid weakening governance and contested legitimacy.

Key themes include a series of converging pressures in geopolitical and social dynamics, facing accelerating environmental and biological risks, as well as pandemic threats. Together, these themes underscore the systemic, interconnected nature of contemporary global risk and the need for integrated and forward looking approaches to resilience and strategic planning.

KEY MESSAGES

GLOBAL FRAGMENTATION

- The international system is shifting toward a multipolar, transactional environment marked by weakened alliances, selective rule-of-law application and rising strategic uncertainty

DEMOCRATIC GOVERNANCE UNDER STRAIN

- Political paralysis, contested legitimacy and erosion of institutional norms are visible across multiple regions, increasing the risk of instability and protest-driven politics

EXTREMISM IS BECOMING NORMALISED

- Attacks on public spaces highlight growing vulnerability driven by social fragmentation, polarisation and declining trust in institutions.
- Harmful narratives and selective outrage are becoming mainstream, weakening social cohesion and increasing the likelihood of violence and exclusion.

SOCIAL MEDIA AS A RISK MULTIPLIER

- Disinformation and engagement-driven platforms intensify polarisation, undermine public trust and complicate security and crisis response

MORAL COLLAPSE, HUMAN CONSEQUENCES

- Civilian harm in conflict zones is increasingly abstracted and politicised, reducing accountability and ethical clarity in decision-making

HIDDEN ENVIRONMENTAL AND BIOLOGICAL RISKS

- Climate extremes, ecological degradation and the resurgence of high-fatality pandemic threats expose fragile global preparedness systems

EUROPE'S UNITY UNDER STRAIN

- Debates over security, Ukraine and economic measures reveal unresolved tensions that will shape Europe's strategic role and global trust

INTEGRATED RISK MANAGEMENT IS ESSENTIAL

- The convergence of geopolitical, societal, environmental and moral pressures demands systems-level, cross-sector responses rather than siloed approaches

EXECUTIVE SUMMARY

The Global Risk Review Report portrays a world entering a phase of deep geopolitical fragmentation and systemic strain. Established assumptions around stability, alliances and governance are eroding as transatlantic cohesion weakens, China reshapes Indo-Pacific dynamics and instability intensifies across the Middle East, South Asia and the Balkans. The global order is increasingly multipolar and transactional, with norms applied unevenly and strategic ambiguity becoming the norm.

At the societal and environmental level, the discussions highlight rising extremism, declining social cohesion and the corrosive effects of disinformation. Incidents such as the Bondi Beach attack reflect an evolving threat landscape, while parallel increases in antisemitism, Islamophobia and identity-based hostility further undermine trust in institutions. These pressures are compounded by climate extremes, ecological degradation and renewed pandemic risks such as H5N1, exposing fragile preparedness systems and reinforcing the urgent need for integrated risk management and institutional renewal as 2026 approaches.

A dedicated contribution to this GRR's edition by author Perin Bhatt, will delve into India's Strategic Balancing Act, illustrating how to navigate geopolitical shifts and deal with the energy and climate crisis in the region.

INTRODUCTION

The Global Risk Review Report continues to document a world undergoing profound and accelerating transformation. The discussions highlighted the erosion of long standing assumptions about security, governance and global cooperation, underscoring the need for adaptive, multidisciplinary and ethically grounded approaches to strategic risk management.

Throughout the sessions, several overarching themes recur with increasing urgency. Geopolitically, the international system is shifting toward a more fragmented, multipolar order marked by strategic ambiguity, contested norms and widening divergence between traditional allies. Tensions in Europe, the Middle East and the Indo Pacific illustrate how great power competition, regional rivalries and coercive diplomacy are reshaping global alignments. Simultaneously, domestic political instability—from the Balkans to South Asia and Southeast Asia—reflects deeper structural weaknesses in governance, democratic resilience and public trust.

A second major theme is the intensification of societal and communal vulnerabilities. The Bondi Beach attack, rising extremism, declining social cohesion and the polarising effects of social media all point to a world in which communities face heightened exposure to both targeted violence and diffuse social fracture. These dynamics are compounded by moral and institutional failures, where slow or selective justice and the normalisation of divisive rhetoric undermine societal resilience.

Environmental and biological risks form a third critical pillar. The report emphasised the accelerating impacts of climate change, the resurgence of high fatality pandemic threats such as H5N1 and the growing recognition that ecological pressures are now interacting with political and economic instability. These developments highlight the inadequacy of existing preparedness systems and the narrowing window for effective global response.

Finally, this situation draws attention to the crisis of governance and accountability at both national and international levels. From the handling of frozen Russian assets to the erosion of legal norms, from energy security vulnerabilities to failures in regulatory oversight, this underscores a widening gap between the scale of emerging risks and the capacity of institutions to manage them coherently and transparently.

Taken together, these themes depict a global landscape in which risks are increasingly interconnected and complex. As the world moves into 2026, the challenge is not only to understand individual crises, but to recognise the systemic patterns that bind them—and thus, to build the institutional, societal and ethical foundations necessary to navigate an era of enduring uncertainty.

A FRAGMENTING GEOPOLITICAL ORDER

STRATEGIC ALLIANCES, DETERRENCE AND GREAT-POWER CALCULUS

In the Euro-Atlantic space, confidence in long-term U.S. commitment has weakened, accelerating discussions around a potential ‘NATO 2.0’ framework—effectively a European-led security arrangement, often framed as a coalition of the willing. This trend reflects accumulated strain in transatlantic relations over recent years and raises concerns that strategic divergence between Europe and the United States may increasingly benefit rival powers, notably Russia and China.

The conversation also addresses strategic dynamics in East Asia, particularly regarding China, Taiwan and regional stability. While tensions and military posturing continue to intensify, the likelihood of near-term military action against Taiwan is assessed as low. Observations of the conflict in Ukraine, awareness of Taiwan’s defensive capabilities and the anticipated scale of economic and political sanctions appear to be acting as significant deterrents. Instead, sustained pressure through signalling and coercive diplomacy is expected to remain the preferred approach.

Across both domains, the session underscores the inherent difficulty of accurately interpreting warning indicators in real time. Retrospective clarity often contrasts sharply with uncertainty during crisis escalation, reinforcing the need for caution in predictive assessments. Overall, the findings point to a global risk environment shaped less by imminent confrontation than by prolonged strategic competition and heightened ambiguity—conditions that demand sustained vigilance and adaptive risk management.

GOVERNANCE, TRUST AND SYSTEMIC RISK

First, reflections on the public inquiry into the Novichok attack underline the complexity of operating within overlapping and sometimes contradictory security dynamics. Efforts to pursue diplomatic engagement and de-escalation coexist with expanded sanctions and heightened scrutiny of hostile state activity, raising ongoing questions about the effectiveness of risk assessment, intelligence coordination and whether meaningful lessons have been learned since the incident.

Second, recent fiscal developments in the United Kingdom have reinforced concerns about declining trust in political leadership and public institutions. Budgetary narratives presented through selective data have contributed to scepticism and confusion, feeding broader political fragmentation. This erosion of confidence is driving shifts toward more independent and non-centrist political movements, with forthcoming local elections expected to produce significant changes in governance at council level. Policy reversals and short-term electoral positioning further complicate long-term strategic planning and administrative coherence.

Finally, the discussion highlights persistent risks in public safety and regulatory oversight, particularly in relation to fire safety. Recent fatal incidents abroad serve as a stark reminder that systemic failures—often linked to weak regulation, poor enforcement or corruption—can have devastating human and community consequences. Comparisons with past domestic tragedies reinforce the global relevance of these risks and the long-term implications for legislation, local authority responsibility and urban resilience.

In conclusion, these observations point to a broader risk landscape where security threats, political instability and infrastructure safety failures intersect. Addressing these challenges will require sustained institutional trust and robust regulatory frameworks capable of protecting communities over the long term.

SECURITY, LAW
AND MORAL COMPLEXITY:
**COUNTERING CRIME
IN A FRAGMENTED GLOBAL ORDER**

Climate change remains a recognised reality. The discussion cautions against overreliance on confirmation bias and emphasises the importance of distinguishing long-term scientific variability from selective interpretation of indicators.

The core focus centres on state responses to organised crime, particularly drug trafficking networks whose activities fuel mass addiction, violence, corruption and human trafficking across multiple continents. These networks operate with a high tolerance for violence and risk, often exploiting legal frameworks selectively while causing widespread societal harm.

The session also highlighted a broader erosion of confidence in the rule of law as an impartial mechanism, noting that legal systems are frequently leveraged by political actors and powerful interests to protect influence rather than public welfare. This perceived instrumentalisation of law contributes to public disillusionment and complicates efforts to address systemic threats effectively.

At the same time, the contributors acknowledge the inherent complexity of counter-crime operations, where legal, moral and strategic considerations collide. The contrast between accountability gaps for large-scale corporate actors involved in legal but harmful drug distribution and the aggressive pursuit of illicit actors underscores enduring inconsistencies in enforcement and justice.

In summary, these development point to a global security environment, where responses to organised crime are shaped not only by law and policy, but by competing values, political power and societal tolerance for risk—reinforcing the need for clearer frameworks that balance security and human impact.



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MIDDLE EAST AND GLOBAL SECURITY DEVELOPMENTS

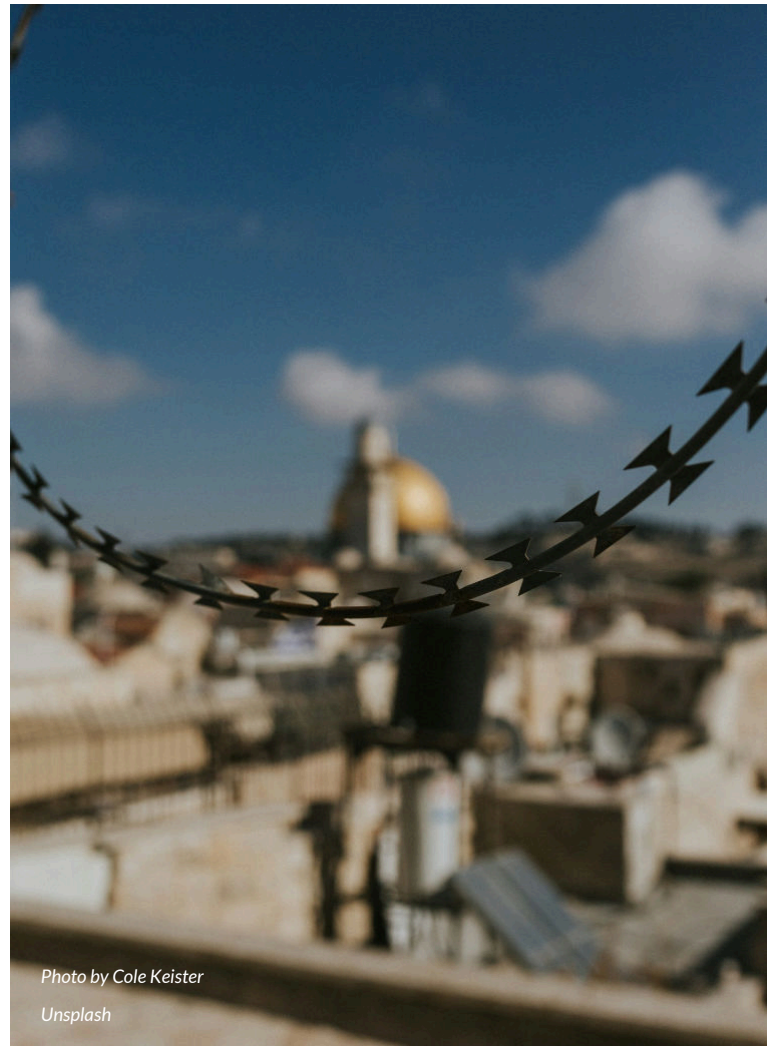
The recent statements made by President Trump have renewed scrutiny of the Muslim Brotherhood networks in the UK because of their alleged influence and classification of their activities as terrorist entities. The apparent divergence between U.S. policy and the level of operational and political space afforded in the UK raises questions around alignment and cross-border political messaging.

Regional dynamics in the Middle East continue to evolve amid shifting alliances. Engagement between the United States and Saudi Arabia, particularly in relation to support for opposing factions in Sudan, has highlighted competitive influence among Gulf states and raised questions about the transactional nature of U.S. foreign policy engagement.

These developments sit alongside renewed uncertainty around Syria, where conflicting signals have emerged. Public statements suggesting a potential return of former Syrian leadership contrast sharply with ongoing diplomatic engagement between the current Syrian administration and Western governments, as well as preparations for significant international investment in Syria's energy sector.

Cyber and intelligence risks remain elevated following reports—unverified but widely circulated—of Iranian-linked actors accessing sensitive Israeli nuclear-related information. While confirmation remains absent, the circulation of such claims contributes to heightened regional tension and information warfare dynamics.

Beyond the Middle East, U.S. military activity directed at Venezuela has introduced serious legal and governance concerns. Operations justified on national security grounds have prompted allegations of unlawful use of force, resignations within senior military command and public warnings regarding the obligation to refuse illegal orders under U.S. military law.



The issue has shifted from political debate to legal accountability, with potential long-term consequences for civil-military relations and international law compliance.

Collectively, these developments reflect a global risk environment marked by strategic inconsistency, legal exposure and rising geopolitical fragmentation—factors that demand close monitoring and rigorous risk assessment by governments and security professionals.

INTENSIFYING CONFLICTS AND HUMAN SUFFERING

2025: A YEAR DEFINED BY GLOBAL HUMAN SUFFERING

As 2026 approaches, the passing of 2025 feels both abrupt and overwhelming. The year has moved with startling speed, yet it leaves behind a profound sense of exhaustion and disbelief at the scale of human suffering witnessed across the globe. Rather than marking progress or recovery, the year stands out as one dominated by conflict, displacement and humanitarian collapse.

Ongoing wars in Ukraine and Gaza continue to inflict immense civilian suffering, with devastating consequences for food security, education, healthcare and basic human dignity. Beyond these highly visible conflicts, equally severe crises persist with far less international attention. Yemen remains trapped in prolonged devastation, while Sudan is experiencing what is widely regarded as the world's worst humanitarian emergency, further complicated by regional military involvement and the spread of violence into critical oil and gas regions.

Instability stretches across North Africa and the Middle East, from Libya's persistent chaos to Syria's fragmentation and foreign occupation. In the Horn of Africa and South Asia, tensions between neighbouring states and internal conflicts continue to erode stability, placing millions at risk. Across these regions, shifting alliances and contradictory global power dynamics have added confusion and volatility, leaving populations exposed to the consequences of geopolitical manoeuvring.

Throughout all of this, the consistent reality is that ordinary people bear the cost of leadership failures, strategic rivalries and moral inconsistency. Civilians are left navigating insecurity, loss and uncertainty, while global actors realign interests in ways that often defy established norms and expectations.

In this context, 2025 will be remembered less for political milestones and more as a year when human suffering became the defining global condition. The challenge for 2026 is not only to address individual crises, but to restore a sense of shared responsibility, ethical leadership and genuine commitment to protecting human life.



Photo by Atiyeh Fathi

Unsplash

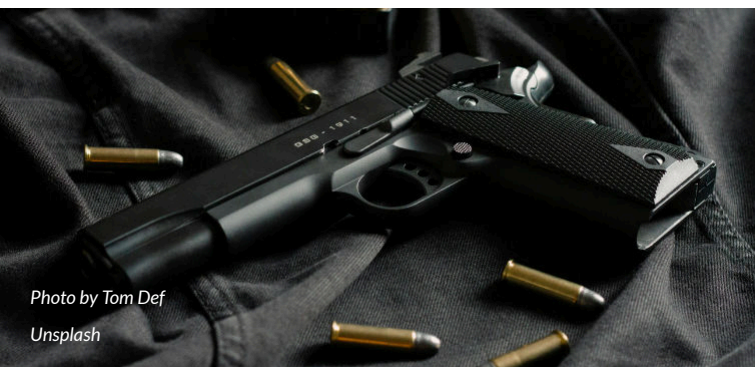


Photo by Tom Def
Unsplash

GLOBAL ACCOUNTABILITY AND EXISTENTIAL RISK

Intelligence-sharing practices surrounding the conflict in Ukraine highlight unresolved tensions within transatlantic relationships, reinforcing the view that Europe must strengthen its strategic autonomy and act decisively amid growing international fragmentation.

Beyond geopolitics, the discussion points to a broader crisis of sustainability and global stewardship. Continued environmental degradation, prioritisation of short-term economic gain and unchecked resource extraction are accelerating long-term systemic risks. These trends raise fundamental questions about planetary resilience, social responsibility along with the diminishing margin for corrective action.

The exchange also focuses on the erosion of international norms and legal precedent. Actions by major powers that normalise the use of force against non-state actors beyond established legal frameworks risk setting dangerous global precedents. While the threat posed by organised crime and transnational violence is acknowledged, the concern lies in the long-term consequences of legitimising extrajudicial force and weakening the principles that underpin international order.

Altogether, these perspectives underscore a world facing compounding risks: weakening alliances, declining trust in leadership, environmental limits under strain and finally, the steady dilution of legal and ethical constraints. Thus, it is crucial to stress that current choices made by powerful states, have the power to shape the global geopolitical environment in the years to come.

NATIONAL TRAUMA, GUN CONTROL LIMITS AND STRATEGIC DIVIDES OVER UKRAINE

The conversation reflected on two deeply consequential developments: the profound national shock following a mass-casualty attack in Australia and the growing geopolitical fracture surrounding Ukraine's reconstruction and the use of frozen Russian assets.

In Australia, the attack has cast a dark shadow over the country, evoking painful memories of the Port Arthur massacre three decades earlier. Despite historically strict gun control measures, including buyback schemes, amnesties and regulatory reform, the availability of firearms has once again increased beyond post-Port Arthur levels.

The discussion then turned to Ukraine and Europe's efforts to finance recovery and reconstruction. Two principal options dominate current debates: direct financial commitments from European states or the release of frozen Russian sovereign assets, largely held in Belgian financial institutions. While many European governments support releasing these funds, Belgium has expressed concern over legal exposure, echoing warnings from the United States about potential legal and financial repercussions.

These tensions highlight a widening strategic divergence, with Europe viewing Russia as a central security threat, while the current U.S. position reflects a more ambivalent—at times accommodating—stance toward Moscow and a more critical posture toward European initiatives.

Together, these issues illustrate a world grappling simultaneously with domestic vulnerability and international realignment. The limitations of long-standing policy tools, the enduring human cost of violence and the growing uncertainty in transatlantic coordination all point to a period of heightened risk and unresolved consequences at both national and global levels.

DEMOCRATIC
BACKSLIDING
IN EASTERN EUROPE
AND SOUTH ASIA

GEOPOLITICAL BALANCING AND INTEGRATION CHALLENGES IN THE WESTERN BALKANS

The session highlighted the ongoing complexities in the Western Balkans, particularly regarding EU integration, domestic political instability and geopolitical positioning between Russia and the West. Despite long-standing aspirations to join the European Union, progress has been slow, with key chapters of accession negotiations remaining unresolved for some countries. This delay signals both internal governance challenges and the difficulty of aligning national priorities with EU requirements.

Recent events, including the assassination of a military export official in Moscow, underscore the risks faced by officials navigating multiple international relationships. Attempts to maintain neutrality between global powers are increasingly untenable, illustrating the need for clear national values and strategic goals.

Domestic pressures remain high, with ongoing protests, snap elections and sanctions on Russian-linked energy companies creating economic and political uncertainty. These factors compound the region's historical vulnerabilities, showing the consequences of partial integration or divided loyalties among citizens.

A key theme emerging from these developments is the evolving understanding of social and political integration. Experiences in the Balkans mirror broader global trends, where countries are reassessing what integration means in multicultural, multi-ethnic societies and the implications this has for cohesion, governance and security. The next decade is likely to see these integration challenges remain central to both domestic and international policy agendas.

CULTURAL HERITAGE AND URBAN DEVELOPMENT IN SERBIA: CHALLENGES AND PROGRESS

Recent developments in Serbia illustrate the tension between urban development, cultural preservation and local community interests. The former Yugoslav Army headquarters, a landmark of modernist architecture and a memorial to those affected by the 1999 NATO bombing, has been stripped of its protected cultural status by the Serbian government, enabling fast-tracked construction for a luxury development backed by a U.S. company.

This decision has sparked widespread protests and legal scrutiny, with charges filed against government officials for alleged abuse of power and document falsification. The judicial process may take months, but construction continues amid local opposition.

Amid these challenges, there are positive cultural preservation efforts. In the northern town of Subotica, near the Hungarian border, a historic synagogue built in 1902 has been fully restored with cooperation from both Serbian and Hungarian authorities. The site now functions as a vibrant cultural hub, hosting concerts and major religious events for the small local Jewish community, demonstrating that international collaboration can successfully preserve heritage while fostering community engagement.

These developments highlight the ongoing struggle to balance modernisation, legal accountability and cultural heritage in Serbia, reflecting broader regional challenges where history, politics and development intersect.

SERBIA AT A CROSSROADS: POLITICAL UNCERTAINTY, EXTERNAL PRESSURES AND STRATEGIC AMBIGUITY

The discussion underscored a period of heightened uncertainty and tension for Serbia as the country approaches 2026. Domestic politics are entering a volatile phase, with student-led movements and signature drives calling for snap elections reflecting broader global patterns of Gen Z-driven protest and civic mobilisation. These developments suggest a shifting political climate and growing public pressure for accountability and change.

At the same time, unresolved questions surrounding past elections and emerging links to international controversies are adding further strain. Allegations connected to foreign electoral processes and corporate involvement have raised concerns about institutional integrity and potential governmental exposure. Externally, Serbia continues to navigate complex geopolitical relationships, including an increasingly fragile balancing act between the European Union, Russia and the United States.

Energy security remains a critical pressure point. Sanctions affecting the largest fuel supplier in the country, coupled with extended deadlines for ownership restructuring, highlight ongoing vulnerability and uncertainty in the energy sector. These challenges intersect with concerns over large-scale public projects, most notably the upcoming Specialised Expo 2027, which is widely viewed as a focal point for financial risk, inflated costs, and potential corruption.

Strategically, Serbia continues to pursue EU accession while simultaneously attempting to maintain pragmatic ties across competing global blocs. This approach echoes earlier non-aligned strategies but appears increasingly difficult to sustain in a more polarized international environment.

The rise of alternative power centres, including BRICS-led dynamics, has created the perception of greater room for manoeuvre, yet the costs of prolonged ambiguity are becoming more visible.

Overall, the outlook for 2026 is one of political contestation, economic scrutiny and strategic decision-making. The coming period is likely to test institutional resilience, public trust and the country's ability to define a clear and coherent path forward amid intensifying domestic and international pressures.



Photo by Stefan Kostic

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SOUTHEAST ASIA RISK LANDSCAPE: GEOPOLITICS, CLIMATE SHOCKS AND GLOBAL REALIGNMENT

The conversation highlighted an increasingly complex and interconnected risk environment across Southeast Asia, shaped by escalating geopolitical tensions, severe climate impacts and accelerating global realignment.

Territorial disputes in the South China Sea involving the Philippines and Vietnam continue to intensify, while rhetoric and military activity around Taiwan are rising. Chinese posture in the region has become more assertive, with sustained exercises, intelligence activity and public messaging reinforcing the narrative that reunification with Taiwan is inevitable. The scale of political commitment and resource allocation involved makes prolonged escalation a significant and enduring risk factor for organisations operating in the region.

Beyond geopolitics, the region has experienced devastating climate-related shocks. A recent typhoon has caused widespread destruction across the Philippines, Vietnam, Southern Thailand and parts of Indonesia, resulting in extensive loss of life, mass displacement and infrastructure damage. The severity of the impacts reflects not only extreme weather patterns but also structural vulnerabilities, including long-term deforestation, weak environmental governance and unregulated extractive activity. These factors continue to amplify disaster risk and are expected to intensify over time.

The expansion of BRICS membership and the increasing role of its development bank signal a shift in economic and political gravity toward the Global South. Infrastructure financing and strategic investment are increasingly being channelled through non-Western frameworks, contributing to a more polarised international system.

Altogether, these developments point to a regional risk landscape defined by strategic competition, environmental fragility and institutional fragmentation—trends that warrant sustained attention and proactive risk management as organisations plan for 2026 and beyond.

RISE IN INSTABILITY IN SOUTH ASIA AND THE EROSION OF DEMOCRATIC GOVERNANCE

This discussion highlighted growing concern over escalating instability across South Asia, particularly on India's eastern and western frontiers. Current developments in neighbouring countries reflect conditions reminiscent of the tensions that preceded the creation of Bangladesh in 1971, raising serious alarms about regional security and political regression.

Reports of mob violence, public executions and the failure to uphold judicial and legal norms point to a dangerous erosion of the rule of law. Such actions undermine democratic institutions and signal a retreat from modern governance toward instability and fear-driven politics. The emergence of extremist activity, including visible ISIS support in recent rallies in Bangladesh, further compounds the risk of regional imbalance and cross-border repercussions.

Governance in several neighbouring states appears increasingly focused on regime survival rather than long-term national development. Strategic planning, economic reform, industrial growth and social investment have taken a back seat to political self-preservation. This vacuum, places greater responsibility on civil society, the judiciary, business leaders and educated communities to act as stabilising forces and resist further institutional decay.

The wider context underscores how rapidly global crises now fade from public attention, despite their severity. Armed confrontations, civilian casualties and mass displacement risk becoming normalised background noise, contributing to global desensitisation. This trend coincides with a broader global strain on progressive democratic governance, as polarisation intensifies and tolerance for dissent diminishes.

Taken together, these dynamics suggest that South Asia may face heightened risks in the first half of 2026, including the potential for civil unrest, extremist-driven violence or wider conflict. Close monitoring, principled leadership and renewed commitment to democratic norms will be critical to preventing long-term regression and safeguarding regional stability.

INDONESIA AT A CROSSROADS: GLOBAL POWER AND DEMOCRATIC STRAIN

The conversation outlined key political, democratic and geopolitical dynamics shaping Indonesia as it moves into 2026. Recent unrest, particularly the protests earlier in the year, exposed how quickly perceptions of progress can erode when security and public order are challenged. Despite decades of economic growth, infrastructure development and democratic reform, moments of instability have revived concerns about whether institutional resilience is keeping pace with national aspirations.

On the international stage, Indonesia is increasingly projecting confidence and influence. The current administration appears comfortable engaging in global forums and positioning the country as a constructive actor in international conflict discussions, including symbolic peacekeeping proposals. While some initiatives may be largely declarative, they nonetheless signal Indonesia's intent to be recognised as a consequential regional and global player.

At the same time, warning signs are emerging on the domestic front. Proposals to roll back direct regional elections and growing pressure on press freedoms suggest a degree of democratic backsliding. These developments mirror broader global trends in which electoral processes and democratic accountability are being constrained for political convenience, raising concerns about long-term governance standards.

Economically, recent progress in trade negotiations with the United States represents a notable achievement. Successfully avoiding restrictive clauses that could have limited future engagement with China, strengthens Indonesia's strategic autonomy and reinforces its standing within Southeast Asia as a capable and independent negotiator.

Looking ahead, 2026 will be shaped by how Indonesia balances global ambition with domestic democratic integrity. Political reforms, regional security, electoral processes along with continued engagement on the world stage will all serve as indicators of whether Indonesia consolidates its progress or risks gradual institutional regression.



Photo by Reyhan Aviseno

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SOCIAL
FRAGMENTATION
AND RISING
EXTREMISM

EXTREMISM AND SOCIAL FRACTURE: RESTORING TRUST AND CREDIBILITY

The session addressed the aftermath of the Bondi Beach attack within a broader societal and geopolitical context, emphasising the importance of framing such acts as cold-blooded murder rather than allowing ideological labels to obscure accountability.

The conversation also highlighted the growing complexity of hate-driven violence in Australia, noting that recent incidents have targeted multiple faith communities, including Jewish and Muslim institutions. This pattern suggests not a single ideological motivation but a wider phenomenon of indiscriminate hostility. As a result, narrowly focused responses—addressing one form of hatred at a time—risk reinforcing social silos rather than reducing overall harm.

Central to this, is the challenge of balancing protection against hate with freedom of expression. Current debates around proposed anti-hate legislation reveal significant concern, including within affected communities, about conflating legitimate political criticism—such as critique of Israeli government policies—with religious or ethnic hatred. Such risks undermine open discourse, increase confusion and further erode trust in institutions tasked with safeguarding social harmony.

The session identified declining social cohesion as a root cause rather than a peripheral issue. Fragmentation along religious, cultural and identity lines has been developing over many years, with limited success in addressing its structural drivers. Symbolic recognition of individual groups, while well intentioned, has often occurred in isolation without a unifying framework for rebuilding shared civic identity and mutual understanding.

In parallel, the discussion raised strategic concerns regarding international trust in European financial institutions, particularly in relation to the handling of frozen Russian assets. Decisions taken in Brussels are being closely observed by non-European states, with implications for confidence in EU banking systems, sanctions regimes and the long-term credibility of Western financial governance.

In conclusion, as it can be seen there are no simple or singular solutions. Addressing violent extremism and social fragmentation require holistic, inclusive and system-level approaches. Effective responses must strengthen community safety without isolating or marginalising others, preserve open democratic debate and rebuild confidence—both domestically and internationally—in the structures that underpin social and economic stability.



Photo by Florian Olive

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COMMUNITY SAFETY AND SECURITY CHALLENGES IN THE WAKE OF TARGETED ATTACKS

Recent events at Bondi Beach highlight the pressing need for robust, coordinated community safety measures. The attack on a religious gathering underscores the vulnerabilities faced by faith-based communities, particularly in public spaces and illustrates a broader pattern of predictable, yet insufficiently mitigated, threats—often referred to as ‘grey rhino’ events.

The session indicated that social fragmentation and rising nationalism, amplified by social media, are contributing to heightened perceptions of insecurity, even among long-established, non-visibly identifiable community members. The intersection of public celebrations, cultural identity and perceived geopolitical tensions has created an environment in which historically safe practices no longer guarantee safety.

Comparative assessment with established models such as the UK’s Community Security Trust shows the value of cross-faith, government-supported organisations in providing preventive security, community engagement and rapid response. Current gaps in law enforcement preparedness and on-the-ground response capability, including reliance on less experienced personnel, have delayed intervention and increased risk during critical incidents.

Moving forward, enhanced coordination between federal authorities, local law enforcement and community-based security structures is essential. Investment in proactive threat assessment, training and public awareness campaigns will be critical to safeguarding communities while maintaining social cohesion in increasingly multicultural and politically complex environments.

THE NORMALISATION OF EXTREMIST RHETORIC AND THE RISK OF SOCIETAL BALKANISATION

This report examines the gradual normalization of rhetoric and behaviours that were considered unacceptable in previous decades and the potential consequences for social cohesion and political discourse. Increasingly, statements and actions that dehumanize particular groups are being treated as permissible, creating a permissive environment that legitimizes behaviours previously deemed extreme. This normalization extends beyond politics into everyday social interactions, shaping public perception and enabling individuals or groups to justify harmful actions as acceptable.

The report highlights the risks associated with communities seeking to pursue independent or isolated political agendas. While such movements may reflect genuine grievances, they can inadvertently encourage sectarianism, creating enclaves, where claims of relative suffering demand preferential treatment. Over time, these dynamics threaten broader societal cohesion and weaken the shared civic identity needed for effective governance and community resilience.

A central theme is the interplay between rhetoric, moral responsibility, and real-world consequences. Public statements—whether directed at international leaders, political figures, or domestic issues—carry tangible effects on vulnerable populations, including those on the ground who may face direct harm. Recognizing this causal link underscores the importance of responsible discourse and ethical communication.

Finally, parallels are drawn to historical examples of societal fragmentation, such as the breakup of Yugoslavia, illustrating the risks of political and social balkanisation. The report emphasizes the need for holistic strategies to counter the normalization of divisive rhetoric, strengthen social cohesion, and promote inclusive dialogue that mitigates the escalation of extremism and isolationist tendencies.

THE IMPACT OF SOCIAL MEDIA ON SOCIAL COHESION AND PUBLIC SAFETY

Recent observations highlight the growing influence of social media on societal tension and public safety, particularly in multicultural urban environments. Over the past two decades, online platforms have amplified the spread of disinformation, radicalisation and extremist behaviour, creating secondary realities that are disconnected from real-life communities. This phenomenon has heightened fear among residents, undermined social cohesion and contributed to a sense of insecurity for vulnerable populations.

Global governments have struggled to establish effective oversight or regulatory frameworks, allowing harmful narratives to propagate unchecked. Incidents such as terrorist attacks or localised violence are rapidly amplified online, mobilising hostile actions and increasing risk to communities, including places of worship. Without clear intervention, the influence of social media is expected to escalate, affecting future generations' safety and well-being.

The situation underscores the urgent need for coordinated policies that enforce accountability on social media platforms, while balancing free expression and public protection, pointing out that social media governance is now a central element of national and international security planning.

CHALLENGES AND POLICY RESPONSES TO YOUTH SOCIAL MEDIA USE

Recent initiatives to restrict social media access for children under 16 in Australia highlight both the opportunities and limitations of legislative approaches. While the ban provides parents with legal and practical support to manage their children's online activity, enforcement remains a challenge due to widespread use of VPNs, proxy accounts and assistance from older relatives.

The policy aims to mitigate well-documented harms, including the mental health impacts linked to cyberbullying and exposure to inappropriate content. Internationally, countries such as New Zealand, Denmark, Malaysia and Indonesia are considering similar measures, reflecting a growing global recognition of social media's risks to youth.

However, experts emphasise that technical restrictions alone are insufficient. Education and engagement through schools and community programmes are essential to instil digital literacy, responsible online behaviour and awareness of the long-term consequences of online activity. The evolving landscape of social media also underscores the need for systemic reforms, including verification protocols and accountability for platforms to complement legislation and create sustainable protections for younger users.

This issue intersects with broader societal trends, including parental involvement, digital ethics and the socialisation of youth, illustrating the complexity of enforcing behavioural norms in an increasingly connected world.

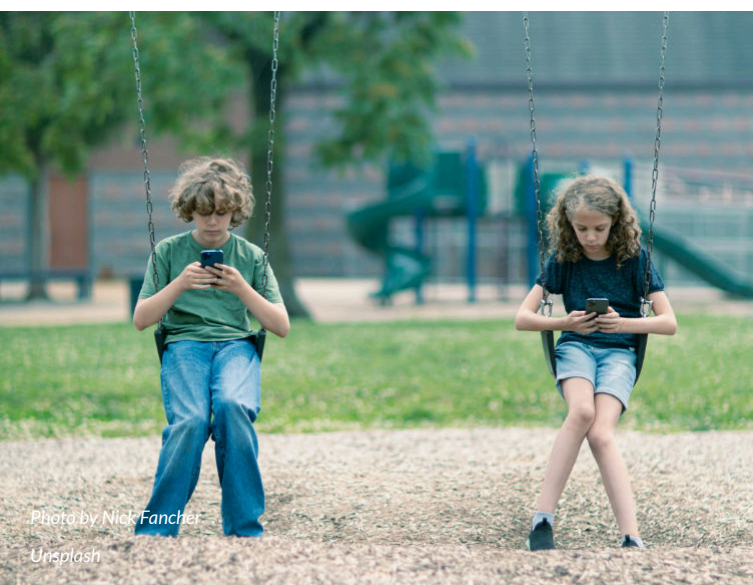


Photo by Nick Fancher
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EVALUATING SOCIAL MEDIA RESTRICTIONS FOR MINORS: CHALLENGES AND LIMITATIONS

Recent legislative efforts in Australia to restrict social media access for children under 16 have sparked debate on both effectiveness and broader societal impact. While the measures provide parents with legal backing to manage online activity and respond to mental health risks—including those highlighted by tragic youth suicides—experts argue that the approach addresses symptoms rather than root causes. Children frequently bypass restrictions through VPNs, older relatives or alternative platforms, raising questions about enforceability and practical impact.

Critics highlight that these measures may serve as a symbolic ‘band-aid’ rather than a comprehensive solution. Outsourcing of parenting through daycare and early education has created gaps in guidance, making legislative fixes alone insufficient. There is growing concern that technological companies are not being held accountable, with selective enforcement and limited regulatory follow-through.

Internationally, countries including Denmark, France, Germany, Italy and Norway are exploring similar restrictions, reflecting global awareness of the risks social media poses to minors. Experts emphasise that legislative measures should be complemented by education, parental engagement and targeted interventions addressing issues such as cyberbullying, gambling and digital literacy to create meaningful, long-term protection for youth.

The debate underscores a key tension: achieving enforceable protections without fully addressing the societal and familial factors that contribute to online risk.



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EMERGING STRATEGIC AND SYSTEMIC RISKS: **ENERGY LEVERAGE, MODERN WARFARE AND GEOLOGICAL THREATS**

First, recent patterns in U.S. military activity and strategic signalling suggest a growing focus on oil and gas as instruments of geopolitical leverage. Actions and threats involving energy-producing states indicate a broader strategy aimed at constraining adversaries' access to critical energy supplies, with potential implications for global markets and strategic stability—particularly in relation to China.

Second, lessons from the conflict in Ukraine continue to reshape assumptions about military vulnerability and deterrence. The demonstrated effectiveness of relatively low-cost, unmanned systems has highlighted the increasing exposure of conventional naval assets. These developments point to a future in which asymmetric capabilities, including autonomous and sub-surface systems, play a decisive role in maritime defence and regional deterrence, especially in contested environments.

Finally, escalating geological activity in Southern Europe has raised concern over natural hazard risk at a continental scale. Increased unrest at major volcanic sites in Italy, including super-volcanic systems and unstable volcanic flanks, presents scenarios ranging from widespread ash dispersal to large-scale tsunamis in the Mediterranean. While geological events remain inherently uncertain and subject to tipping-point dynamics, the potential impacts on population centres, infrastructure and regional stability are significant.

Overall, these risks underscore the convergence of geopolitical, technological and natural-system threats.

ENERGY AND ECONOMIC SECURITY

While defence agreements and military signalling continue to dominate public discourse, deeper strategic agendas are increasingly shaped by control over energy resources, supply chains and economic resilience. These factors are expected to influence international relations more profoundly than short-term political or military developments.

The contributors highlighted that nations with secure energy systems and robust economic foundations are better positioned to project power and absorb external pressure. Sustained economic capacity enables long-term military capability and strategic influence, as demonstrated by states that have successfully insulated their energy sectors from external disruption. As a result, future geopolitical manoeuvring is likely to centre on securing economic leverage and energy independence, with significant implications for global alliances and U.S. bilateral relationships.

The discussion also addresses ongoing developments in the Middle East, noting that political survival and domestic considerations continue to shape decision-making in Israel. Prolonged focus on internal security challenges may persist, particularly as global attention shifts toward emerging flashpoints in East Asia, including China–Japan and China–Taiwan dynamics. This redistribution of international focus risks creating strategic space for intensified regional actions with reduced external scrutiny.

Overall, this reinforces the view that long-term foresight in global risk analysis lies less in short-term political events and more in understanding economic fundamentals and demographic pressures.

ESCALATING
ENVIRONMENTAL
AND BIOLOGICAL
THREATS

BALKANS INSTABILITY: PROTESTS, ENERGY VULNERABILITIES AND INSTITUTIONAL STRAIN

In Bulgaria, the largest protests in decades erupted on 1 December following the announcement of a proposed 2026 budget that included increases to social security contributions and pension payments. While the budget was withdrawn the following day, public demonstrations quickly broadened to encompass longstanding concerns over corruption, political instability and elite influence. Continued calls for government resignation and snap elections reflect deep public frustration in a country marked by repeated electoral cycles since 2021 and persistent governance paralysis.

In Serbia, energy security risks have intensified following the denial of a U.S. licence for a Russian-owned oil and gas company operating a key national refinery. The disruption threatens fuel supply continuity, price stability as well as broader economic activity, with knock-on effects across various services such as transport, employment and public finances.

Compounding these challenges, domestic unrest has emerged within the education sector. Prolonged instability at a major secondary school in Belgrade has exposed weaknesses in administrative governance, labour protections and safeguarding mechanisms. Allegations of retaliatory dismissals and insufficient external engagement have eroded trust among students, parents and staff, raising concerns over safety and community cohesion.

Overall, these developments illustrate a region facing interconnected pressures: public disillusionment with political leadership, heightened exposure to external economic and energy shocks and weakening institutional safeguards at the local level.



CLIMATE EXTREMES AND POLITICAL FRAGMENTATION: EMERGING RISKS FOR NEPAL AND BEYOND

The experts highlighted accelerating climate change as an immediate and visible global risk, illustrated by record-low winter temperatures in Kathmandu, alongside the confirmation that the past year was the hottest on record worldwide. Climate impacts are now exceeding earlier projections made in the 1990s and mid-2010s, underscoring how rapidly conditions are shifting across regions.

Concern was expressed that the 1.5°C global warming target is increasingly unattainable, despite widespread net-zero commitments. This trajectory points to significant near-term consequences for human health, livelihoods and environmental stability—impacts already being experienced rather than anticipated.

From a national perspective, Nepal faces mounting political uncertainty. The unprecedented proliferation of political parties—more than 140 registered, with dozens of new smaller movements emerging—signals deep political fragmentation. This trend is expected to contribute to ongoing instability and governance challenges, placing additional strain on a population already confronting climate-related stressors.

Taken together, the convergence of intensifying climate extremes and growing political instability presents a serious and compounding risk for Nepal, reflecting a broader global pattern in which environmental pressures and governance challenges reinforce each other more strongly over time.

RENEWED PANDEMIC RISK: **H5N1 AND THE FRAGILITY OF GLOBAL PREPAREDNESS**

Pandemics remain an active and escalating global risk, despite widespread assumptions that such threats have receded. The re-emergence of H5N1 avian influenza is increasingly evident, with rising infections among birds and mammals and confirmed spread across southern regions linked to regions near Antarctica. Detection in penguins, seals and other wildlife signals a widening ecological footprint and raises the likelihood of further geographic and species transmission, including potential spread to mainland Australia.

Although human cases remain limited at present, the extensive infection of wild and domesticated animals—including large-scale culling of poultry and dairy cattle—underscores the seriousness of the threat. With no meaningful population-level immunity to H5N1, the risk of mutation or species crossover remains significant. A single event involving co-infection with a common human virus could accelerate human-to-human transmission. This would dramatically alter the risk landscape.

The situation is made more concerning by the dismantling of many surveillance, monitoring and rapid-response systems established during COVID-19. While COVID-19 proved to be a mid-level pandemic in terms of mortality, higher-fatality pathogens such as Ebola—and potentially H5N1—pose a far greater danger. Historical comparisons suggest that a pandemic with Spanish flu-level fatality rates, given today's global population and mobility, could cause hundreds of millions of deaths.

In an era of unprecedented global connectivity, the speed and scale of transmission far exceed historical precedents. The resurgence of zoonotic threats highlights a critical question: whether sufficient lessons have been learned and global preparedness can be rapidly rebuilt before the next major pandemic emerges.



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MORAL, ETHICAL AND LEADERSHIP FAILURES

A YEAR DEFINED BY SUFFERING AND MORAL COLLAPSE

The conversation characterised the past year as profoundly damaging, not only in geopolitical terms but at a deeply human level. While public discourse is dominated by statistics, headlines and abstract numbers, the lived reality of conflict is defined by personal trauma, loss and irreversible suffering—experiences that rarely register in policy debates or media narratives.

A central concern raised was the erosion of humanity's moral compass. In this context, global crises are increasingly politicised, reducing widespread civilian suffering to ideological arguments rather than humanitarian emergencies. Nowhere is this more evident than in active conflict zones where destruction of infrastructure, healthcare, food systems and basic necessities has become normalised and responsibility is endlessly deflected rather than addressed.

The discussion also highlighted extreme economic inequality as a structural driver of instability. The concentration of wealth among a small number of billionaires, particularly during periods of global hardship, was framed as emblematic of a broader crisis of accountability and generosity. Calls to challenge this imbalance are often portrayed as radical, yet the scale of accumulated wealth stands in stark contrast to widespread social and economic distress.

From a strategic perspective, scepticism was expressed about narratives suggesting restraint or absence of direct involvement by major powers in ongoing conflicts. The reality, as perceived, is that precedents have already been set, norms quietly breached and accountability diluted. This environment has enabled leaders and states to act with increasing impunity.

The overall assessment was stark: without a restoration of moral fortitude, genuine empathy and ethical leadership, global conditions are unlikely to improve. Absent a renewed commitment to human dignity over power, profit and politics, the trajectory points toward deeper suffering rather than meaningful change.

THE SILENT PATH TO NORMALISATION AND THE RISE OF ALTERNATIVE POWER

The discussion focused on the process of societal normalisation and how silence, rather than open debate, becomes the foundation for systemic change. Normalisation begins when individuals withdraw from speaking out—either from fatigue, perceived futility or fear of personal, financial or reputational consequences. Over time, this silence reshapes what is considered acceptable, allowing harmful behaviours and narratives to persist unchallenged.

A key theme was the relationship between justice and social stability. Justice systems are valued not only for fairness but for their ability to operate at speed and scale. When justice is perceived as slow, selective or ineffective, societies begin to tolerate deviant behaviour. This tolerance gradually inverts norms, replacing established order with alternative systems that better reflect what people believe is required to restore security and predictability.

This dynamic was presented as a critical factor behind the emergence and endurance of strong, polarising leaders across different political systems. Such figures gain traction not solely through ideology. Public frustration with institutions that appear unable or unwilling to protect resources, safety and social cohesion plays a major role.

The conversation also highlighted concerns around silencing, deplatforming and the narrowing of acceptable discourse—particularly within academic and public institutions. When debate is constrained, dissent does not disappear; it migrates and consolidates elsewhere, often in more extreme or disruptive forms.

The overarching conclusion was that the rise of alternative political movements is not an anomaly, but a response to perceived institutional failure. Without the capacity to enforce justice effectively and uphold open discourse, societies risk accelerating the very normalisation they seek to avoid, creating conditions in which outcomes once considered unacceptable become not only possible but inevitable.

THE HIGH COST OF IDEOLOGICAL FAILURE

The discussion examined how political and societal dysfunction increasingly emerges from ideological extremes rather than practical governance. Attempts to impose idealised visions of perfection—often framed as moral or ideological superiority—were contrasted with the reality that societies are shaped by human limitations, competition and power dynamics. The tendency to view humanity as separate from nature, rather than as part of it, was identified as a source of repeated policy failure.

Responsibility for systemic breakdown was attributed across the political spectrum. Progressive idealism and right-leaning market absolutism were portrayed as two sides of the same coin, each yielding harmful outcomes when detached from accountability. Environmental degradation, particularly failures in water and infrastructure management, was cited as a consequence of profit-driven policy choices rather than social reform agendas.

A central theme was the absence of meaningful action at both macro and micro levels. Symbolic gestures, performative outrage and rhetoric were seen as insufficient substitutes for civic responsibility, local engagement and sustained institutional reform. Without active participation and challenge from within society, governance failures are left uncorrected.

Geopolitically, concern was expressed over escalating political extremism driven by electoral cycles, particularly in the United States, where crisis creation and resolution risk being used as tools of political theatre. In Europe, frustration centred on the European Union's slow pace of reform, characterised by bold announcements followed by limited follow-through. While still viewed as a necessary institution, meaningful change was seen as achievable only through internal reform rather than disengagement.

The concluding assessment highlighted a persistent leadership vacuum—marked by a lack of urgency, coherence and connection between identified problems, required actions and workable solutions. Without credible and responsible leadership, political voids invite manipulation and reinforce a cycle of 'announce and retreat' governance, further eroding public trust.



Photo by Nick Fancher

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CRISIS LESSONS:

**MORAL ACCOUNTABILITY
AND EUROPEAN RESOLVE**

This contribution underscored the necessity of rigorous, cross-disciplinary analysis in responding to major crises, using the Bondi Beach attack as a case study for broader systemic learning. Effective lessons cannot be drawn in isolation or within institutional silos; meaningful understanding requires collaboration across disciplines to examine both failures and strengths and to challenge assumptions shaped by professional comfort zones. Without this approach, repeated errors are inevitable and the burden of those failures continues to fall disproportionately on innocent communities.

The discussion emphasised that many contemporary crises are driven less by technical or intellectual shortcomings than by moral and ego-based failures. This dynamic was highlighted in the context of Russia's war against Ukraine and the international response to it. Overemphasis on financial tracking and asset flows risks obscuring the deeper motivations shaping decision-making at the highest levels. Power, ego and moral character—rather than personal wealth alone—remain decisive drivers of behaviour, with global consequences.

Attention was drawn to the implications of political choices in the United States and the resulting impact on European and global security. These choices were framed as carrying unavoidable international consequences, particularly for Europe's strategic autonomy and responsibility. In this context, Europe's handling of frozen Russian assets was identified as a critical test of unity and resolve. Belgium's exposure to legal and security risks was highlighted as a shared European responsibility, requiring explicit collective support rather than quiet isolation.

The summary concluded with a call for Europe to move beyond introspection and fragmented decision-making and instead demonstrate practical solidarity, moral clarity and strategic courage. Failure to do so risks emboldening hostile networks and repeating hard-learned lessons at an even greater human cost.

**INTERCONNECTED
SECURITY FAILURES**

While individual developments are often addressed in isolation, the underlying challenge remains the absence of coordinated action and accountability among key international actors.

Recent findings related to the Novichok poisoning and the death of Dawn Sturgess highlight continuing discomfort and inconsistency at senior political levels. Official statements and public reassurances contrast sharply with observable uncertainty in leadership engagement, reinforcing concerns about superficial responses to complex national security threats. These issues extend beyond legal interpretation, pointing instead to deeper weaknesses in strategic ownership and political resolve.

The discussion also revisited Venezuela's role as a major transit hub for narcotics destined primarily for European markets. Despite long-standing awareness of this dynamic, European institutions have taken limited substantive action, raising questions about responsibility-sharing and strategic seriousness. This inaction carries broader implications, particularly given its indirect links to long-running geopolitical tensions and security challenges affecting Europe, including those related to Ukraine.

Finally, concerns were raised regarding historical leadership within European external policy structures. Questions surrounding past decision-making and oversight within EU foreign affairs institutions continue to cast a long shadow, reinforcing perceptions of institutional failure, lack of transparency and insufficient accountability at senior levels.

Taken together, these issues point to a systemic challenge: global and regional risks are increasingly interconnected, yet governance responses remain fragmented and reactive.

CONCLUDING REFLECTIONS

The discussions captured in this report reaffirm the increasingly interconnected and complex nature of global risks. Geopolitical instability, security threats, economic pressures, environmental stressors and governance challenges no longer operate in isolation. Instead, they intersect in ways that amplify uncertainty and demand more integrated, forward-looking approaches to risk understanding and management. The session highlighted that navigating this environment requires not only technical expertise but also sustained dialogue, shared insight and collective vigilance across regions and sectors.

Another recurring theme was the profound influence of social media on individuals, communities and public discourse. While digital platforms offer unprecedented connectivity, they also shape perceptions through curated narratives that can distort reality, particularly for younger generations. Education emerged as the most effective mitigation strategy. Embedding social media literacy into mainstream education—for both youth and adults—is critical to fostering critical evaluation of sources, recognising online manipulation and understanding the psychological and social impacts of digital engagement. These efforts must be complemented by active parental involvement and broader public awareness initiatives to support responsible navigation of online environments.

The broader discourse also emphasised the importance of systematically archiving and documenting contemporary global discussions. Preserving context, challenges and lessons from current social, technological and geopolitical developments provides a valuable record, supporting accountability and informed policy development over time.

As 2025 draws to a close, the Institute of Strategic Risk Management stands at a pivotal moment of organisational growth and renewal. The establishment of a global board and the launch of a Community Membership programme signal a clear commitment to inclusivity, accessibility and global engagement. The reinstatement of free-to-attend online training, alongside optional certification pathways, reflects a strategic focus on expanding reach while maintaining professional standards. Together, these initiatives lay the groundwork for organic growth driven by participation, shared knowledge and community goodwill.

Looking ahead to 2026, the Institute of Strategic Risk Management is positioned to scale its influence, deepen member engagement and deliver innovative programmes that strengthen professional development and global collaboration. Anchored in strategic foresight, resilience and community support, the organisation enters the coming year well-prepared to respond to an unsettled global landscape and contribute meaningfully to understanding and managing risk in an increasingly complex world.

INDIA'S STRATEGIC
BALANCING ACT:

**NAVIGATING GEOPOLITICAL
SHIFTS, ENERGY SECURITY
AND REGIONAL STABILITY
IN SOUTH ASIA**

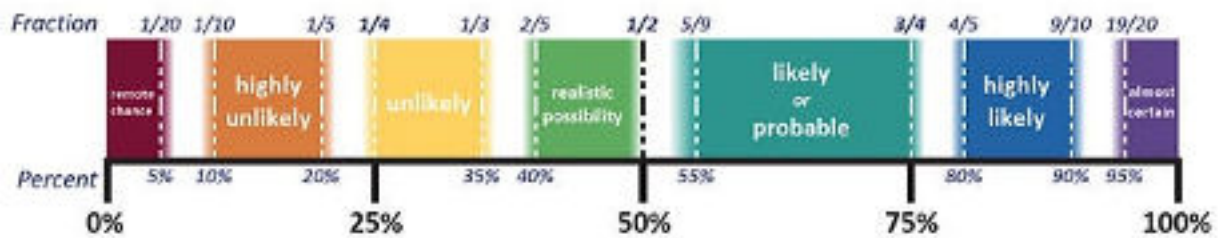
SPECIAL
REGIONAL
FLASHPOINT

by Perin Bhatt MSc, MISRM

THE PROFESSIONAL HEAD OF INTELLIGENCE ASSESSMENT (PHIA) PROBABILITY YARDSTICK

The intelligence assessment community uses terms like ‘unlikely’ or ‘probable’ to convey the uncertainty associated with intelligence judgements. The Professional Head of Intelligence Assessment (PHIA) Probability Yardstick splits the probability scale into seven ranges.

This is a standard set of language used in probabilistic judgements to describe the assessed likelihood that a statement is true or that an event will occur, is occurring or has occurred. This probabilistic language scale is used by UK Defence Intelligence and used across within the UK intelligence government agencies.



OVERVIEW AND THE COMPLEXITIES OF THE STRATEGIC LANDSCAPE

South Asia's strategic environment is notably intricate, shaped by enduring rivalries, international involvement and internal instability. India encounters considerable security challenges, such as ongoing disputes with Pakistan, the increasing regional influence of China and volatility in Afghanistan. Simultaneously, India's strategic approach reflects pragmatic adaptation to evolving global dynamics—balancing energy requirements, managing the effects of international sanctions, as well as sustaining a measured diplomatic stance. This framework allows India to seek economic prospects and cultivate partnerships that bolster regional security and stability.

The complexity of South Asia's strategic landscape arises from the interplay of regional and global factors. Lasting rivalries among major powers, coupled with interventions by neighbouring states and external actors, create a highly layered security context. Internal instability within individual states further compounds uncertainty, presenting significant obstacles to achieving security and stability for India and its neighbouring countries.

PRIMARY SECURITY FACTORS

India-Pakistan Rivalry:

The persistent rivalry between India and Pakistan remains the primary security concern in the region. The situation is exacerbated by recent developments, such as elevated tensions along the Line of Control, a rise in drone-related activities and recurring cross-border skirmishes. Both countries are engaged in military modernisation efforts, which further heighten the risk of escalation and complicate the overall security environment.

China's Expanding Influence:

China is actively expanding its strategic presence in South Asia, notably through initiatives like the China-Pakistan Economic Corridor and the extension of its maritime access. These developments are directly affecting India's regional standing, introducing fresh operational and strategic challenges. As a result, the complexity and risk levels throughout South Asia have increased.

Afghanistan's Instability:

Afghanistan continues to experience instability, largely due to concerns regarding the resurgence of extremist elements. This ongoing volatility poses substantial cross-border security threats, particularly for India and Pakistan. Afghanistan's instability fuels regional volatility and intensifies rivalries among neighbouring states.



Photo by Ahmed Raza
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INDIA'S STRATEGIC IMPACT FROM OIL SANCTIONS

Overview of Recent U.S. Sanctions

The United States' recent sanctions targeting Rosneft and Lukoil, Russia's two largest oil producers, have forced Indian refiners to either suspend or significantly reduce their purchases from these suppliers by November 21, 2025. This measure has far-reaching consequences, given that Russian crude oil accounted for roughly 30–36% of India's total oil imports during 2025. The availability of discounted Russian barrels during this period enabled India to achieve estimated savings ranging from \$10 billion to \$25 billion since 2022.

India's Increased Reliance on Russian Oil

India's reliance on Russian crude oil intensified following Russia's 2022 invasion of Ukraine. This shift positioned India as the largest importer of seaborne Russian crude, driven primarily by substantial discounts offered on Russian oil, which became more accessible as European buyers scaled back their imports. In the first half of 2025, India's monthly imports averaged approximately 1.8 million barrels per day (mbpd), reaching a peak of 2.13 mbpd in June—the highest level in two years. As of September 2025, Russia remained India's leading oil supplier, commanding a 33.3% market share with imports totalling 1.6 mbpd.

Diplomatic Developments

India's Ministry of External Affairs confirmed that the United States granted a six-month exemption from American sanctions, allowing India to continue its strategic engagement at the Chabahar Port in Iran. Analysts have noted that the U.S. decision to grant India a waiver for activities at Chabahar Port, combined with New Delhi's measured approach to Russian oil sanctions, highlights India's adept diplomatic balancing. India is reinforcing its partnership with the United States through collaborative frameworks such as the Quad and expanding defence ties, while simultaneously maintaining its strategic autonomy in relations with Russia and Iran. The waiver for Chabahar Port reflects Washington's recognition of India's unique geopolitical leverage and its crucial role in promoting stability across both the Indo-Pacific and Central Asia.



Photo by Gowtham AGM

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KEY FINDINGS

- Recent U.S. sanctions on Russia's largest oil producers, Rosneft and Lukoil, have forced Indian refiners to suspend or sharply reduce purchases from these suppliers before 21 November 2025.
- Russian crude accounted for about 30 – 36% of India's total oil imports in 2025 and discounted Russian barrels enabled India to save an estimated \$10-25 billion since 2022.
- India's dependence on Russian oil increased after Russia's 2022 invasion of Ukraine, making India the largest importer of seaborne Russian crude.
- The U.S. granted India a six-month exemption from sanctions for strategic engagement at Iran's Chabahar Port.
- This waiver, alongside India's measured approach to Russian oil sanctions demonstrates India's diplomatic balancing: strengthening ties with the U.S. (through frameworks like the Quad and defence cooperation) while maintaining autonomy in relations with Russia and Iran.
- The Chabahar Port waiver reflects the U.S. recognition of India's unique geopolitical leverage and its role in Indo-Pacific and Central Asia.

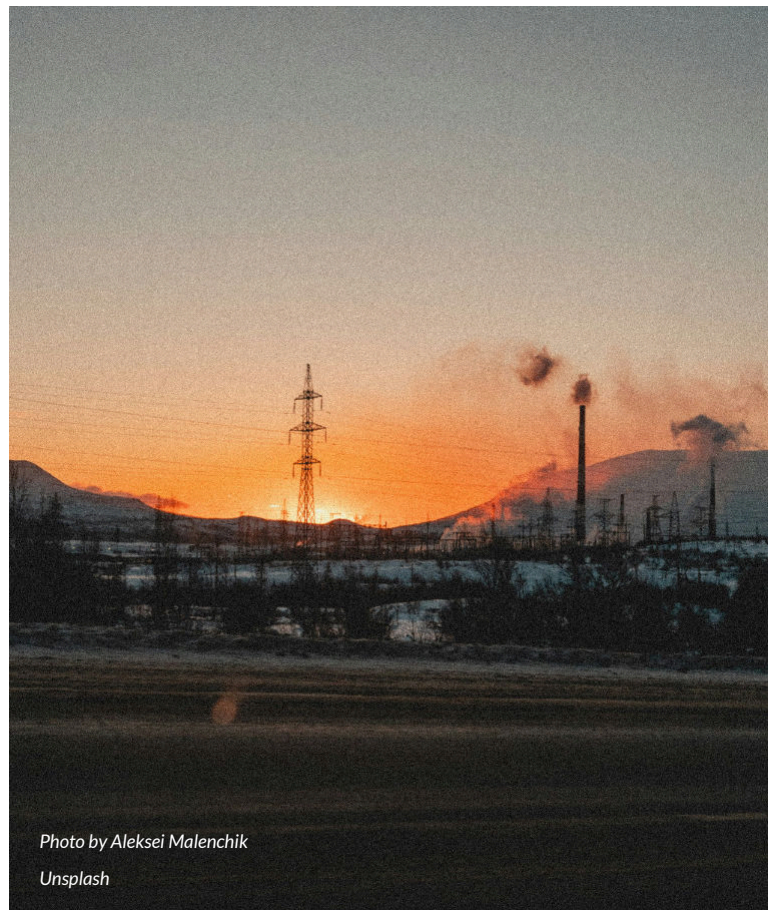


Photo by Aleksei Malenchik
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ASSESSMENT

India's strategic position is characterised by its capacity to navigate a complex geopolitical landscape. India has benefited economically from discounted Russian oil; however, the potential impact of U.S. sanctions poses risks to this advantage and there is a realistic possibility that requires India to adjust their energy strategy. From a diplomatic perspective, securing a U.S. waiver for Chabahar Port activities while maintaining relations with Russia and Iran highlights India's adept diplomatic balancing. This approach enables India to pursue its interests without overcommitment. Furthermore, India faces significant security challenges stemming from regional rivalries, China's strategic expansion and instability in Afghanistan. As such, India is expected to remain vigilant and adaptable as it responds to evolving developments in strategic planning. India's strategic posture reflects pragmatic adaptation to shifting global pressures, economic opportunity and a nuanced diplomatic strategy that fosters partnerships for regional stability and security.



Photo by Egor Myznik
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REGIONAL STRATEGIC IMPLICATIONS FOR IMPROVE RELATIONS BETWEEN INDIA AND AFGHANISTAN

Strengthening relations between India and Afghanistan carries important strategic implications for regional stability, economic development and security, with relevance to counterterrorism efforts and regional connectivity.

Key advantages include expanding India's economic and geopolitical presence in Central Asia by facilitating trade through the Chabahar port, reducing security risks associated with militant organisations and deepening cultural and developmental links that promote goodwill within Afghanistan. Nevertheless, such advancements remain nuanced and tactical, as India approaches these ties with caution due to historical challenges and evolving domestic circumstances in both Afghanistan and Pakistan.

In October 2025, Afghan Foreign Minister Amit Khan Muttaqi travelled to India, becoming the highest-ranking Taliban representative to visit India since the group regained control of Afghanistan in 2021. After the Taliban assumed control of Afghanistan in 2021, India closed its embassy and withheld formal recognition of the group as the legitimate government.

Nonetheless, India re-established its technical mission in Kabul in 2022 and continued its engagement with Afghanistan by extending humanitarian support, notably through aid provided after the August 2025 earthquake. The Indian government's shift to engaging with the Taliban is motivated by several factors. Primarily, New Delhi seeks to prevent Afghanistan from becoming a hub for militancy and terrorism that could threaten India's security.

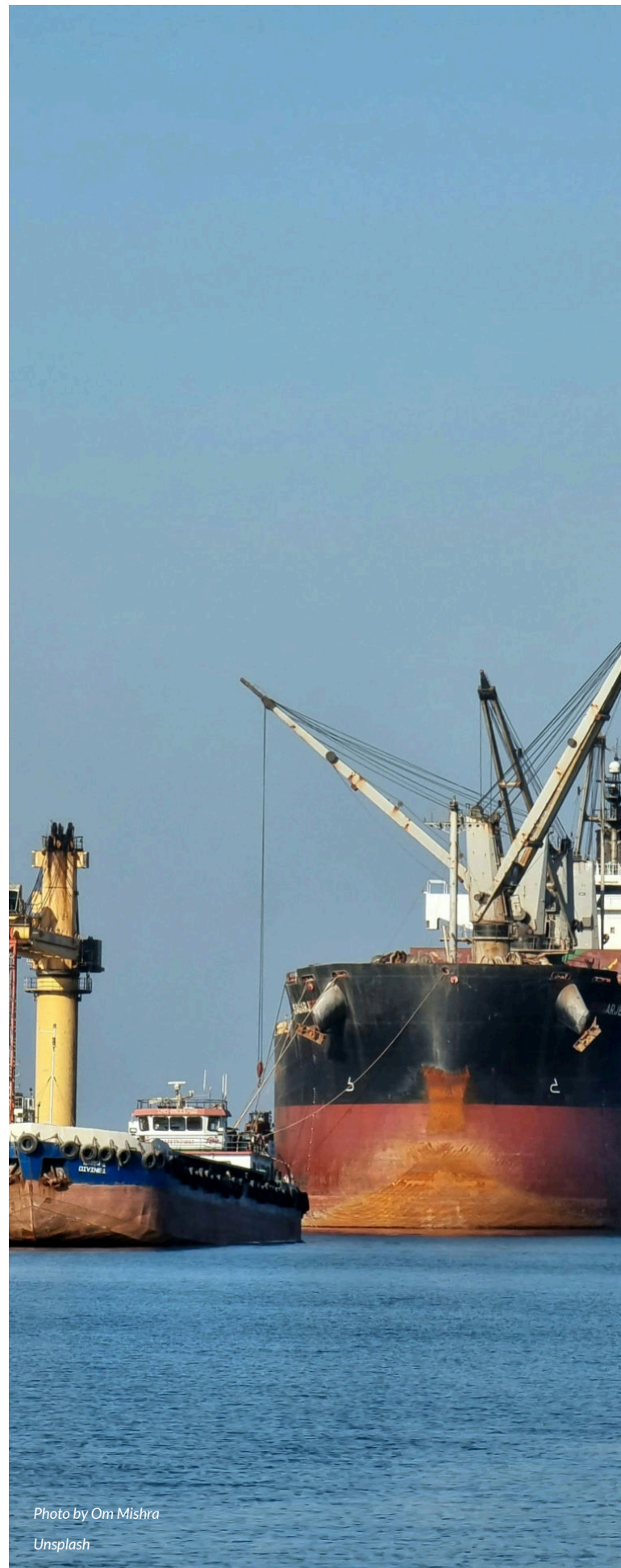


Photo by Om Mishra
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CHINA

Despite its political isolation, the Islamic Emirate of Afghanistan has seen relative improvement in relations with India. India continues to provide development and humanitarian assistance, notably through projects such as the construction of the Afghan Parliament building, the Salma Dam and investments in healthcare and education.

These longstanding cordial relations, alongside China's pragmatic policy of non-interference, have resulted in increased engagement from both nations toward Kabul. China participates primarily through economic dialogue and involvement in regional forums like the Shanghai Cooperation Organisation (SCO), seeking opportunities for trade and connectivity while avoiding overt political intervention.

Afghanistan's strategic position is pivotal for regional stability, influencing trade routes, energy corridors and security frameworks. The durability of these relationships is largely determined by the quality of internal governance.

The Islamic Emirate currently contends with factional divisions and constrained administrative capacity, factors that significantly affect policy implementation and external relations. While enhanced cooperation with India and engagement with China present valuable opportunities, the realisation of long-term advantages will depend on Afghanistan's progress in strengthening governance, managing internal differences and establishing reliable, stable policies that reassure regional stakeholders.

India's stance against Afghanistan joining the China–Pakistan Economic Corridor (CPEC) underscores ongoing complexities in India–China relations. Nevertheless, Prime Minister Narendra Modi's recent visit to China, coupled with his participation at the two-day SCO summit in Tianjin, from 31 August to 1 September 2025, suggests prospects for improved cooperation. Enhanced collaboration between India and China could facilitate Afghanistan's inclusion in CPEC and strengthen its longstanding relationship with India.

Such developments have the potential to position Afghanistan as a crucial link in regional connectivity, thereby increasing its economic and geopolitical relevance. Realising these benefits will require Afghanistan to address internal political challenges, secure trade routes and invest in essential infrastructure.

PAKISTAN

India's new alignment with the Taliban government in Afghanistan has raised alarm in Islamabad, Pakistan. In context, The Taliban emerged in the mid-1990s, after the Soviet withdrawal (1989) and the collapse of Afghanistan's communist regime (1992), during a period of civil war and lawlessness. Many Taliban members were refugees or displaced Afghans who studied in madrasahs in southern Afghanistan and northern Pakistan, where they absorbed a strict interpretation of Islam influenced by the Deobandi movement and supported by foreign funding, particularly from Pakistan and Saudi Arabia.

Muttaqi's visit to India coincided with cross-border clashes between Afghan and Pakistani forces in October 2025, which reportedly resulted in numerous casualties. Pakistan alleges that the Afghan Taliban is providing sanctuary to the Tehrik-i-Taliban Pakistan (TTP), a coalition of insurgent groups with the objective of toppling the Pakistani government.

According to a May 2023 report by the Pakistan Institute for Peace Studies, Pakistan has observed India's increasing involvement and engagement with the Taliban-led government in Afghanistan. The report further asserts that, in addition to exhibiting indifference toward Pakistan's concerns regarding the escalating threat from the Tehrik-i-Taliban Pakistan (TTP) and ongoing border insecurity, the Taliban have increasingly adopted a pragmatic approach in fostering relations with India, thereby diminishing the initial optimism held by Pakistan.

KEY FINDINGS

- Strengthening ties between India and Afghanistan is strategically significant for regional, economic development and security. Enhanced cooperation supports counterterrorism efforts and regional connectivity, notably projects like Chabahar Port.
- Improved relations allow India to expand its economic and geopolitical influence in Central Asia, facilitating trade and reducing security risks from militant organisations.
- India approaches its engagement with Afghanistan cautiously, mindful of historical challenges and evolving domestic circumstances in both Afghanistan and Pakistan.
- In October 2025, Afghan Foreign Minister Amit Khan Muttaqi visited India, making the highest-level Taliban visit since 2021.
- India's engagement is motivated by the need to prevent Afghanistan from becoming a hub for militancy and terrorism that could threaten Indian security.
- China has increased engagement with Afghanistan through economic dialogue and regional forums, while maintaining a policy of non-interference. Both India and China see opportunities for trade and connectivity, but India remains cautious about Afghanistan joining the China – Pakistan Economic Corridor (CPEC).
- The durability of improved relations depends on Afghanistan's internal governance, ability to manage factional divisions and capacity to implement stable policies.
- Pakistan is alarmed by India's growing engagement with the Taliban-led government, especially amid ongoing border clashes and concerns about the Taliban's support for the Tehrik-i-Taliban Pakistan (TTP).

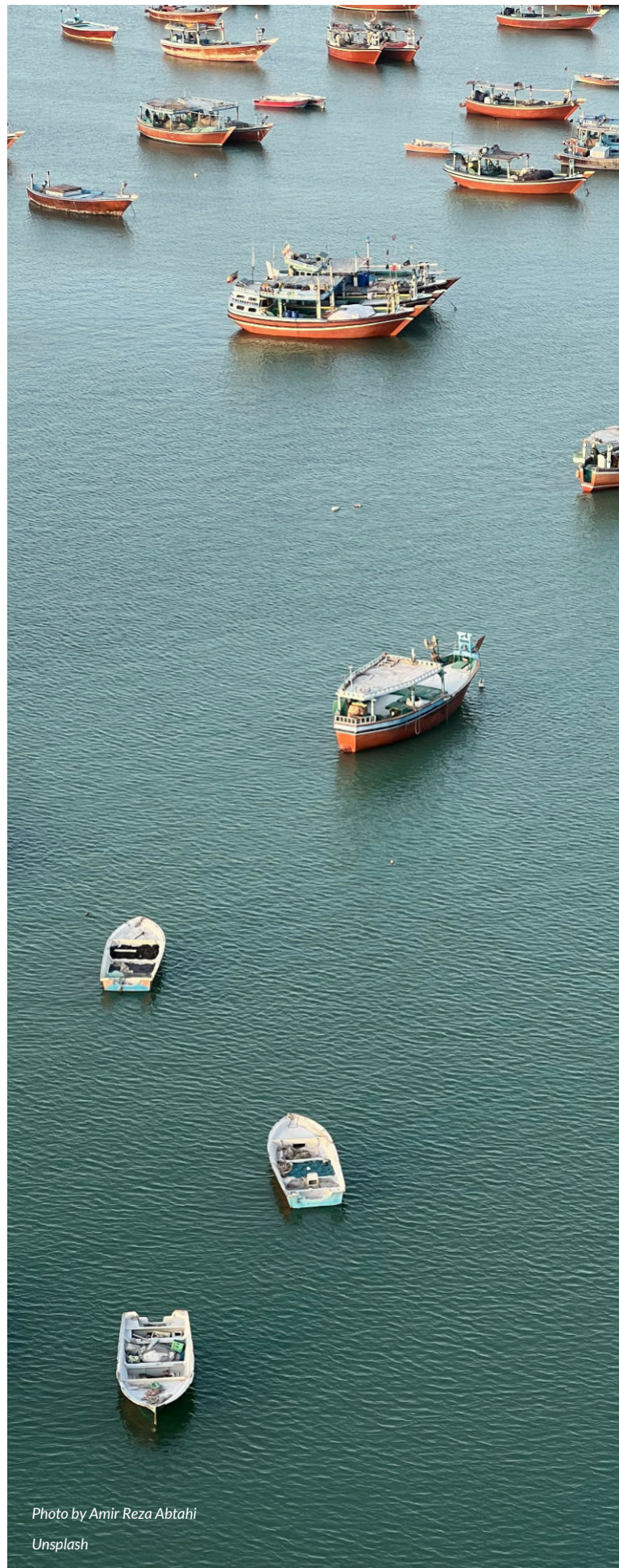


Photo by Amir Reza Abtahi
Unsplash

ASSESSMENT

Improved relations between India and Afghanistan are likely to present substantial opportunities for enhancing regional security, promoting economic development and strengthening efforts to counter terrorism. Nevertheless, these potential benefits are moderated by the complexities of regional rivalries—particularly with Pakistan—and the unpredictable nature of Afghanistan's internal governance. India's cautious and pragmatic approach demonstrates an awareness of these challenges, with the goal of fostering stability while safeguarding its own security interests.

Modi- Putin Summit December 2025

The Modi-Putin Summit, held in New Delhi, India in December 2025, represented the 23rd annual meeting between India and Russia, underscoring the enduring strategic partnership shared by the two nations. The agenda encompassed key areas such as trade, defence, energy and geopolitical issues, demonstrating India's ongoing commitment to balanced relations with both Russia and Western countries.

President Putin's discussions addressed matters including energy cooperation, defence collaboration, civil aviation, critical minerals, investment opportunities and labour migration. During the summit, India reiterated its request for Russia to expedite the delivery of essential military equipment—specifically, two S-400 missile defence systems agreed upon in 2018, whose delivery had been delayed due to the Ukraine conflict. Both parties expressed their agreement to further strengthen cooperation within the defence sector.

Background of India-Russia Relations

The bilateral relationship between India and Russia has gradually transitioned from a predominantly strategic and defence-focused alliance during the Cold War to a more multifaceted partnership in recent years. Throughout the Cold War period, India maintained a strong strategic association with the Soviet Union, relying on Moscow as its principal provider of defence equipment and a key diplomatic partner. After the dissolution of the Soviet Union in the 1990s, the relationship diversified to encompass broader economic cooperation, while defence ties continued to play a central role.

Since the early 2000s, institutionalised annual summits have facilitated expanded collaboration in areas such as nuclear energy, hydrocarbons and defence technology. Over the past decade, Russia's heightened isolation following the Ukraine conflict has led to deeper engagement with India, which has leveraged Russian oil and arms to maintain its strategic autonomy.



THE EVENT

Indian Prime Minister Narendra Modi and Russian President Vladimir Putin convened with senior ministers, diplomats and trade and defence officials from both countries. In a notable departure from standard protocol, Prime Minister Modi personally welcomed President Putin at Palam Airport, underscoring the significance and cordiality of the bilateral relationship. The summit agenda included engagements at several key locations: an initial reception at Palam Airport, a private dinner hosted at Lok Kalyan Marg (the Prime Minister's residence), a ceremonial welcome at Rashtrapati Bhavan, President Putin paid tribute to Mahatma Gandhi at Rajghat and formal bilateral discussions with agreement signings at Hyderabad House.

This summit marked President Putin's first visit to India since 2021 and was the 23rd annual India–Russia summit. It occurred in the context of increased United States tariffs on Indian goods, a response to India's ongoing imports of Russian oil. The timing of the event was strategically significant, as India aimed to secure stable Russian oil supplies and strengthen its energy security. Both sides reiterated their goal to expand bilateral trade to USD 100 billion by 2030 and discussed further defence cooperation, including advanced talks on Su-57 fighter jets and expedited S-400 missile system deliveries. Additionally, the summit addressed collaboration in emerging sectors such as small modular nuclear reactors.

From a geopolitical perspective, India adopted a measured approach—resisting Western, particularly U.S., pressure regarding Russia's actions in Ukraine while clarifying that it is “not neutral” on the matter. India continued to advocate for peace while maintaining strategic engagement with Russia. The summit resulted in the signing of more than a dozen agreements covering energy, defence, mobility and trade diversification. Prime Minister Modi also presented President Putin with culturally significant gifts, such as a Russian translation of the Bhagavad Gita, Assam tea and a Murshidabad silver tea set. In turn, President Putin assured India of continued energy security and Prime Minister Modi reiterated India's dedication to self-reliance in defence capabilities.



Despite these symbolic gestures, discrepancies remain between the ceremonial aspects and the substantive outcomes of the partnership. Although Russia committed to uninterrupted fuel supplies to India, Indian firms have recently curtailed purchases of Russian oil due to U.S. tariffs and sanctions. Several memorandums of understanding were signed, encompassing migration and mobility, health and food security, maritime cooperation, fertilizers, customs procedures and academic and media collaboration. However, major defence deals anticipated by many observers were not finalised.

Since Russia's invasion of Ukraine in 2022, India has not signed any major new defence contracts with Russia, partly due to delivery delays as Moscow prioritises its own military needs. This trend, which precedes the conflict, reflects New Delhi's strategy to diversify defence procurement and strengthen domestic production. Overall, these developments suggest that the India-Russia relationship has less geopolitical influence than during the Cold War, when India benefited from favourable barter agreements and extensive access to Soviet markets.

KEY FINDINGS

- Prime Minister of India is neutral regarding Ukraine, while also characterising the nation's relationship with Russia as firm and independent of Western influence.
- For Russia, India continues to represent a significant power that has withstood Western pressure, maintaining economic engagement without assuming the role of a client state.
- President Putin's recent visit to India, his first since 2021, highlighted the symbolic significance of the bilateral partnership.
- Both nations reaffirmed ongoing cooperation in missile systems and joint defence production; however, no new major arms agreements were announced.





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