
Four Global Trends in Business and Society in 2024



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Climate change, geopolitical crises, social instability and income and wealth inequality are threats to business - but they also pose opportunities for impact.

Business continues to play a critical role in society, according to the [2024 Edelman Trust Barometer](#). The survey, which polled more than 32,000 citizens across 28 countries, finds that business is the most trusted institution to integrate innovation into society. Business is also seen as more competent and ethical than governments, NGOs and the media.

With this power comes responsibility - specifically, a responsibility to serve as a force for good. Indeed, 62 percent of those surveyed expect CEOs to manage changes occurring in society, not just changes in their business. But where can business make the greatest impact in today's world, and what threats stand in its way in 2024?

For the third year in a row, we asked the INSEAD academic community for answers. A total of 55 faculty members participated in the survey, with all

nine academic areas represented. The results are well aligned with recent studies by other global institutions, including the World Economic Forum (WEF), Edelman and the World Bank. While this increases our confidence in this year's perceived trends, we acknowledge that last year's outlook was certainly not perfect. As the last few years have proven, nothing is certain in these times except uncertainty.

Reflecting on last year's results

Many of our **perceived trends for 2023** proved accurate. Climate change, for instance, was identified as the top societal issue for business to address, and the fourth biggest threat to business. Indeed, 2023 was the **hottest year on record** with several extreme weather events, including tropical cyclones in the Atlantic, record temperatures in the southern United States, flooding in Greece, Turkey and India, landslides in Brazil, typhoons in China and the **most destructive** wildfire season in Canadian history. Some researchers now say global warming may **exceed the 1.5°C threshold** in just a few years.

The second most important societal issue identified by INSEAD faculty was income and wealth inequality, and this trend played out as expected. As the World Bank **reported in December 2023**, nearly 700 million people around the world live in extreme poverty, meaning they survive on less than \$2.15 per day. In 2023, the poorest countries also **remained worse off** than before the Covid-19 pandemic.

While INSEAD faculty identified geopolitical crises (25 percent) and social instability (18 percent) as threats to business, it was hard to anticipate just how quickly these problems would escalate. The conflict in the Middle East was not – nor could it have been – factored into last year's perceived trends. We also did not anticipate the acceleration of artificial intelligence (AI) issues that are now top-of-mind for business leaders.

Finally, inflation and recession risks – identified by 17 percent of faculty as top threats – did not unfold as anticipated. While high inflation contributed to the cost-of-living crisis in 2023, a global recession never transpired in the way some economists warned. Reflecting this change in outlook, only 10

percent of faculty cited inflation and recession as top threats for 2024.

And on that note, here are the top four business and society issues identified by INSEAD faculty for 2024.

1. Climate change

Climate change remains the foremost societal issue that businesses should address this year, according to our 2024 survey, with 65 percent of INSEAD faculty identifying climate change as the area where business can be a force for good. Additionally, 31 percent say climate change is the biggest threat to business in 2024.

The WEF [Global Risks Report 2024](#), based on a survey of 1,500 global leaders, reflects a similar perspective, although over varying time frames – this year, the next two years and the next decade. [Two-thirds](#) of survey respondents rank environmental risks as “most likely to present a material crisis on a global scale” in 2024. In the next 10 years, the top four risks – extreme weather events, critical change to the Earth system, biodiversity loss and ecosystem collapse and natural resource shortages – are all environmental.

Our results and sense of urgency are somewhat at odds with the climate change coverage at the WEF Annual Meeting 2024 in Davos, which took place last month. As some [media outlets reported](#), climate change was not top of the agenda. However, the role of business in sustainability remained a key focus in the [SDG Tent](#), where leaders explored topics such as sustainable finance and reporting and nature-based solutions for the climate. Contributing to these conversations since 2019, [INSEAD showcased](#) how to promote sustainability in supply chains, where firms have a particularly large opportunity for positive impact. And, during a [panel on climate and nature](#), the patron of INSEAD’s [Hoffmann Institute](#), [André Hoffmann](#) (MBA ‘90D), spoke about the need for long-term thinking in managing the environmental impacts of organisations.

“We need to reintroduce the notion of nature in the way we do business,” Hoffmann said. “It’s the question of a functional economy... We need to

make sure we understand the consequences and dependencies we have on the three main capitals: the social, the human and the natural. The idea of a business that is completely independent of nature [doesn't] go very far.”

2. Geopolitical crises

The threat of geopolitical crises jumped significantly in INSEAD's survey, with 58 percent of faculty identifying it as a top concern – making it the number one threat to business for 2024. Another 25 percent of faculty see geopolitics as an area where business can serve as a force for good.

Along similar lines, the WEF Global Risks Report 2024 cites interstate armed conflict as the fifth highest risk in the next two years. The conflicts in Sudan, Eastern Europe and the Middle East are obvious contributing factors, but other variables are at play. 2024 is a **historic election year**, with 64 countries heading to the polls and 49 percent of the world's population eligible to vote. The outcomes of these elections may intensify geopolitical tensions between major powers and have consequences for democracy.

The survey also suggests people are losing faith in government, with 59 percent of respondents saying government regulators lack adequate understanding of emerging technologies to regulate them effectively. Compared against business, the media and NGOs, government is also seen as the least competent and ethical institution.

These intersecting and compounding problems add up to a bleak outlook, writes Saadia Zahidi, managing director at the WEF, in the Global Risks Report 2024: “Underlying geopolitical tensions combined with the eruption of active hostilities in multiple regions is contributing to an unstable global order characterised by polarising narratives, eroding trust and insecurity... this leaves ample room for accelerating risks – like misinformation and disinformation – to propagate in societies that have already been politically and economically weakened in recent years.”

3. Social instability

As both a product of and contributor to geopolitical crises, social instability is the second biggest threat to business in 2024. According to our survey, 44 percent of faculty identify it as a top risk. In a tie with geopolitical crises, 25 percent of faculty also identify social instability as an area where business can have a positive impact.

The WEF Global Risks Report 2024 offers similar results, with 48 percent of respondents citing societal and/or political polarisation as the risk most likely to present a material crisis on a global scale this year. Similarly, societal polarisation ranks as the third greatest risk in the next two years, and the ninth greatest risk in the next 10 years. The report also points to the rise in AI-generated misinformation and disinformation as a catalyst for greater societal and political division. When leveraged by either foreign or domestic actors, this “fake news” has the potential to undermine newly elected government officials, and worse. “Resulting unrest could range from violent protests to hate crimes to civil confrontation and terrorism,” the report notes.

Exacerbating these problems, civil society is increasingly distrusting of leaders and institutions’ ability to tell the truth. In the 2024 Edelman Trust Barometer, survey respondents say they believe leaders – including government leaders (63 percent), business leaders (61 percent) and journalists (64 percent) – are purposely trying to mislead people by saying things they know are false and gross exaggerations.

4. **Income and wealth inequality**

INSEAD faculty see income and wealth inequality as both a risk to business (23 percent) and an area where business can make a positive impact (23 percent).

The World Bank’s **Gini index** – which measures the extent to which the distribution of income or consumption among individuals or households in an economy deviates from an equal distribution – indicates **income inequality worsened** following the Covid-19 pandemic. The global Gini index, which accounts for inequality within and among countries, declined between 1990

and 2020 but has undergone a reversal following the pandemic.

According to the World Bank, poorer countries took a **bigger economic hit** than richer countries in 2020. Average incomes in middle-income countries were impacted the most, with South Asia experiencing the largest drop. Surveys from 2021 also suggest inequality within countries may have worsened. Poorer households lost jobs and incomes at slightly higher rates than richer households, contributing to greater global poverty and inequality.

The latest figures from the **World Inequality Database** suggest income and wealth inequality hasn't changed much since 2021 and, if anything, has worsened slightly. As of 2022, the richest 10 percent of the global population earned 53.2 percent of income, while the poorest half earned 7.6 percent. In addition, the richest 10 percent owned 75.8 percent of all wealth, while the poorest half owned just 1.7 percent.

A reason for optimism

These global trends point to a challenging and chaotic year ahead. But while it's important to acknowledge these issues we can't let them deflect us from our commitment to build a more equitable and sustainable society.

At INSEAD, we are doubling down on our sustainability commitment by evolving what we do and how we do it. In January 2024, we completed the overhaul of our MBA curriculum to embed sustainability into all core courses. We also rolled out a new capstone project in which MBA students act as company executives confronted by a sustainability problem, challenging them to apply the skills they've learned at INSEAD.

Aside from these curricular changes, our faculty have published 26 cases and 60 journal articles addressing sustainability and related topics in the past three years. INSEAD is also collaborating with other business schools and global organisations like the United Nations to address pressing issues including climate change, gender inequality and sustainability.

This work is rooted in our belief that societal problems – from climate change to income inequality – are deeply interconnected, and that it will take the coordination and cooperation of leaders and organisations around the world to solve them. To our best ability, INSEAD is committed to leading this effort forward. It’s time to put our differences aside and work together to find common ground. The future of humanity depends on it.

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<https://knowledge.insead.edu/responsibility/four-global-trends-business-and-society-2024>

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