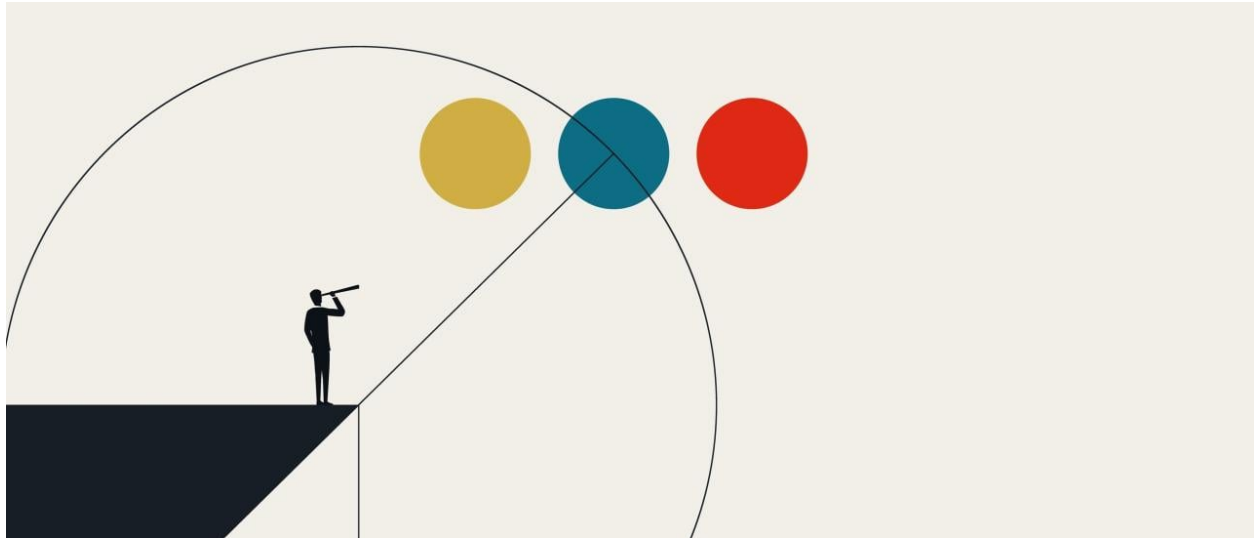

Five Global Trends in Business and Society in 2025



By Peter Joos , Katell Le Goulven , and Francisco Veloso , INSEAD

The top threats to business and the greatest opportunities for impact in the year ahead.

For the fifth year running, the [Edelman Trust Barometer](#) has identified business as the leading institution to address urgent issues in society. The [2025 survey](#) - which captured the sentiments of 33,000 people across 28 countries - found that business is perceived as more competent, ethical and able to get things done when compared to governments, NGOs and the media.

However, the survey also found that a “crisis of grievance” has developed globally. Respondents believed that business is not doing enough to address issues of affordability (64 percent), climate change (62 percent), retraining (56 percent), misinformation (55 percent) and discrimination (53 percent).

What do INSEAD faculty think? For the fourth year in a row, we conducted a survey to capture their views on global trends and the greatest risks and opportunities for business in the new year. A total of 64 faculty members

from all nine academic areas took part. Here, we compare our results with new data and insights from the World Economic Forum (WEF), Eurasia Group, the World Bank, the United Nations, the International Monetary Fund and other global thought leaders to shed light on what lies ahead.

Revisiting trends of 2024

Before we look to the future, here's a quick look back at last year's survey and how faculty predictions aligned with reality during 2024.

Presciently, climate change, geopolitics and income and wealth inequality were all flagged by INSEAD faculty as the biggest risks to business. Multiple storms, hurricanes, wildfires, floods and droughts ravaged almost all areas of the globe, while [heatwaves](#) across Asia and the Pacific highlighted the disproportionate impact of global warming on low- and lower-middle-income countries. Elections in over 60 countries led to power shifts, protests and an escalation of right-wing and populist movements, while war efforts intensified, and many parts of the world saw an uptick in social instability. Finally, the World Bank's 2024 report, "[Pathways Out of the Polycrisis](#)", indicated that progress to reduce global poverty has stalled, with nearly 700 million people globally living in extreme poverty, and the rate of poverty in low-income countries higher than it was before the Covid-19 pandemic.

The top five global trends for 2025 closely mirror those of last year, with climate change, geopolitical crises, inequality and social instability dominating the discussion. Economic uncertainty emerges as a growing concern, and while AI is surprisingly not singled out as a direct societal threat or opportunity for societal impact, several faculty pointed to the indirect role that AI can play in accelerating other trends through its unintended consequences, ethical challenges or the opportunity or cost of the automation of business.

Let's take a closer look at the predictions for this year.

1. Climate change

Like last year, INSEAD faculty identified climate change as the foremost societal issue (50 percent) business should address this year. In addition,

about one-quarter (26 percent) saw it as a top threat to business.

Underscoring this point, the WEF's [Global Risks Report 2025](#) outlines a rapid uptick in climate risks between the immediate term (this year), short term (next two years) and long term (next 10 years). Based on its Global Risks Perception Survey – which captured the views of more than 900 global leaders – the category of “extreme weather events” is the second-highest risk in the immediate term and short term, with the addition of “pollution” as a top risk in the short term.

In the long term, however, five of the top 10 global risks are all environmental in nature. “Extreme weather events” tops the list, followed by “biodiversity loss and ecosystem collapse”, “critical change to Earth systems” and “natural resource shortages”. Johan Rockström, Director of the [Potsdam Institute for Climate Impact Research](#) (PIK), highlighted the impact of the planet's weakening resilience during the “[Nature and Climate: A Stocktake](#)” session at the World Economic Forum Annual Meeting 2025 in Davos. Rockstrom noted that due to the transgression of planetary boundaries and [climate forcing](#), macroeconomic models are predicting double-digit GDP losses. By 2050, GDP could face an 18 percent drop due to reduced labour productivity impacted by heat and changes in hydrology alone.

PIK's inaugural [Planetary Health Check](#) report, published in 2024, notes that atmospheric carbon dioxide levels have reached a 15-million-year high. As a result, global mean temperatures are at the highest level of any point in human history. Evaluating 13 variables across nine “Planetary Boundary (PB) processes”, the PIK assessment finds that six of the nine PBs have exceeded safe levels, including climate change, biosphere integrity, land system change and freshwater change. Given the interconnection of these processes, the report states, all must return to safe levels to achieve the 1.5°C climate target.

2. Geopolitical crises

More than one-third (34 percent) of INSEAD faculty flagged geopolitical crises as the top societal issue for business to address in 2025, and over two-

thirds (67 percent) saw geopolitical crises as a leading threat to business.

Eurasia Group's [Top Risks 2025](#) report speculates what these crises may look like, warning that the risk of a “new global war... is higher than at any point in our lifetimes”. Included in its top 10 risks are conflict and humanitarian crises in “ungoverned spaces” such as Gaza, Syria, Myanmar, Haiti and Lebanon, a breakdown in relations between the United States and China and the shift from a “rule of law” to “rule of a man” with US President Trump in office. Its number one risk, dubbed as “G-Zero wins”, points to the global shift towards a me-first mentality and protectionist strategies, along with a move away from international cooperation.

The WEF's Global Risks Report 2025 also presents a bleak outlook on global affairs. Nearly one-quarter of survey respondents rank “state-based armed conflict” (e.g. proxy wars, civil wars, coups and terrorism) as the top risk for 2025, compared to the eighth-highest risk last year. It also cites “gloeconomic confrontation” (e.g. sanctions and tariffs) as the third-highest risk for this year.

3. Income and wealth inequality

INSEAD faculty perceive income and wealth inequality as an area where business can make a positive impact (28 percent) this year. However, only 12 percent believed it was a leading threat to business.

Similarly, the WEF's Global Risks Report 2025 ranks inequality as the seventh-highest global risk for both the next two years and the next 10 years. However, it does highlight the interconnection between inequality and other leading risks, noting inequality's potential to exacerbate societal polarisation, undermine shared values and weaken trust and social stability, among others.

Along similar lines, the 2025 Edelman Trust Barometer finds a significant gap in its Trust Index (measuring trust in business, government media and NGOs) between those with high incomes and those with low incomes. The survey also finds that about two-thirds of people believe “the wealthy don't pay their fair share of taxes” and “the wealthy's selfishness causes many of our

problems”. Furthermore, 61 percent of respondents hold a moderate or high level of grievance against business, government and the rich, while only 36 percent believe the next generation will be better off.

The United Nations’ [World Economic Situation and Prospects 2025](#) report noted that food inflation remains persistently high in developing countries, with nearly half experiencing inflation rates above 5 percent in 2024, worsening conditions for those already living in poverty. Many developing nations are also facing significant employment challenges. In 2025, the report projects GDP-per-capita growth to remain below the 10-year pre-pandemic average in the least developed countries, small-island developing states and landlocked developing countries.

4. Social instability

Social instability was identified by INSEAD faculty as the fourth-highest area (21 percent) where business can make a positive impact in 2025. It was also pinpointed as the second-highest threat (38 percent) to business this year.

According to the WEF’s Global Risks Report 2025, societal polarisation is the fifth-highest risk in the immediate term, fourth-highest risk in the short term and eighth-highest risk in the long term. The report points to GenAI as a force that will increase societal polarisation by creating and distributing false or misleading content on a broad scale. In fact, the category of “adverse outcomes of AI technology” is one of the highest-climbing risks across the WEF’s rankings.

Contributing to this trend, people’s perception that leaders lie to them is at an all-time high, according to the Edelman Trust Barometer. Respondents worry that government leaders (69 percent), business leaders (68 percent) and journalists/reporters (70 percent) purposely mislead people by grossly exaggerating or saying things they know are false. As another measure of social instability, the survey found four in 10 people see hostile activism (i.e. attacking people online, intentionally spreading disinformation and threatening or committing violence) as a viable means to drive change, and more than half of young adults (age 18 to 34) approve of hostile activism.

5. Inflation or recession

While inflation or recession was identified by INSEAD faculty as the fourth-highest risk (19 percent) to business this year, only 7 percent cited it as an area where business can serve as a force for good.

In its January 2025 [World Economic Outlook Update](#), the International Monetary Fund reported that global inflation continues to decline, although elevated inflation is persisting in some emerging markets and developing economies. The report also projects that global inflation will decline to 4.2 percent in 2025 and 3.5 percent in 2026.

The global economy is starting the year in a steady position, affirms Eurasia Group's Top Risks 2025 report, with inflation broadly under control and fears of a global recession mostly quelled. However, it's unclear whether the economic landscape will change as new leaders usher in new policies. For example, if US President Trump follows through on his promises to impose high tariffs on China, Mexico and Canada, it could spark trade wars and cause inflation to spike.

The United Nations' World Economic Situation and Prospects 2025 report forecasts global economic growth at 2.8 percent in 2025 and 2.9 percent in 2026, which is largely unchanged from 2023 and 2024 but below the pre-pandemic average (2010 to 2019) of 3.2 percent. The report acknowledges that lower inflation and monetary easing have led to more favorable economic conditions, but trade tensions, high debt burdens, weak investment and geopolitical crises may offset potential gains, creating economic uncertainty in the year ahead.

Edelman's survey captures some of the fears surrounding this uncertainty, particularly as it relates to employees' job security. People cited potential threats including international trade conflicts (62 percent), foreign competitors (59 percent), offshoring (54 percent), looming recession (63 percent), automation (58 percent) and lack of training (58 percent).

INSEAD's response to global trends

Considering these global trends, INSEAD's mission – to bring together people, cultures and ideas to develop responsible leaders who transform business and society – is more relevant than ever. More importantly, the school is equipping graduates to tackle urgent challenges and seize opportunities, but through a principled lens.

Consider, for instance, INSEAD's decision to embed sustainability into all 14 core courses of our MBA programme, and to close the learning journey with a capstone project testing students' ability to address sustainability issues in real-world scenarios. Today, despite reports that corporate sustainability has **passed the "hype" phase**, we continue to emphasise that prioritising sustainability is the right thing – and the smart thing – for leaders to do.

INSEAD graduates are also prepared to address an increasingly polarised world due to the structure of our school and nature of our community. Thanks to our global campuses and robust alumni network, INSEAD acts as a bridge between nations and a platform for cross-cultural dialogue. We know how to connect global expertise with regional priorities, gain a deeper understanding of market dynamics and make meaningful contributions to schools, businesses, governments and communities.

To address deepening inequalities, we teach students how to drive productivity *and* inclusive growth. Recognising the role of AI in this work, our faculty continue to expose students to new technologies while discussing their implications for ethics, equity and trust. Importantly, faculty strive to develop students' technical capabilities, while also nurturing their emotional intelligence, empathy and authentic communication skills.

The events of 2025 are likely to test the resilience of our global society and economy. Yet, we at INSEAD remain optimistic about the future, largely because of our students. They represent the next generation of responsible business leaders – leaders who have the courage and conviction to harness business as a force for good. And they're ready and equipped to hit the ground running.

Find article at

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

About the author(s)

Peter Joos is Deputy Dean, Dean of Faculty and a Professor of Accounting and Control at INSEAD. He also holds the Sauvage Family Endowed Chair for Academic Excellence and the Barons Janssen Endowed Professorship.

Katell Le Goulven is the Executive Director of the **Hoffmann Global Institute for Business and Society** at INSEAD.

Francisco Veloso is a Professor of Strategy and the Dean of INSEAD since September 2023, leading the school across its full range of activities and four locations.

About the series

Crossroads: Business & Society

The **Hoffmann Institute** at INSEAD explores the intersection of business and society. The challenges of our times are unprecedented, and the decisions made by leaders today determine the future. The institute aims to equip these leaders to make decisions in ways that deliver positive outcomes for business, communities, people and our planet in line with globally agreed sustainability goals.

The UN Sustainable Development Goals offer a cohesive and centralised framework for discussing a new development model that is good for all people and the planet. INSEAD is aligning more closely with the SDGs as more businesses use the 17 global goals to enhance their contributions to society.

This series provides much-needed clarity regarding what the SDGs mean for strategies, operations and business models.