

TISFD Discussion Paper

Inequality and system health and stability

Risks and opportunities for businesses and financial institutions

TISFD | TASKFORCE ON INEQUALITY and SOCIAL-RELATED FINANCIAL DISCLOSURES

November 2026



Contents

Executive summary 3

1. Introduction 7

2. How inequalities emerge: the broad determinants of people-related outcomes and inequalities 13

3. Understanding people, inequalities and system dynamics 17

4. Inequalities, system-level health and stability, and financial effects 23

4.1. How people's rights, well-being and inequalities affect the health of systems 25

- Inequality and societal stability 25
- Inequality and macroeconomic health 28
- Inequality and financial stability 33

4.2. Risks and opportunities related to societal stability, macroeconomic health and financial stability 35

- Societal instability: risks and financial effects 36
- Macroeconomic health: risks and financial effects 38
- Financial stability: risks and financial effects 40

5. How businesses and financial institutions shape inequalities and system health and stability 42

5.1. Business impacts on people's rights, well-being and inequalities 43
5.2. Identifying key private sector drivers of inequalities 47
5.3. Pathways from drivers of inequalities to system health and stability 54

6. Areas for future work 62

Annex I: Drivers of impacts on people and inequalities 64
Annex II: Evidence summary tables 68
Annex III: Acknowledgements 71

References 72

Executive summary

High and rising inequalities pose an urgent threat to the health and stability of economies and societies. Inequality can erode social cohesion and trust, hold back productivity and the competitive dynamics that economies need to innovate and grow, and heighten risks to financial stability. This has major implications for businesses and investors.

This TISFD discussion paper examines how these effects can arise, tracing how impacts on people and inequalities accumulate and ripple through societal, economic and financial systems – ultimately affecting business performance and investment returns.

Through this paper, and by inviting feedback on it, TISFD seeks to better understand how a system-level lens could complement entity-level analysis, bringing into view risks and opportunities that would otherwise be missed.

Why Inequalities Matter

Strains on people are intensifying as inequalities reach new extremes. Across the world, inequalities in wealth, well-being and opportunity are persistent, and some disparities continue to widen. Over a billion working people, around a third of the global workforce, do not earn enough to afford a decent living.[1] The richest 10 percent of adults globally receive 53 percent of income and own around three-quarters of wealth.[2]

The consequences of built-up inequalities ultimately undermine business prospects. Inequality constrains the health and skills of the workforce, undermines consumer demand, and erodes community support. The aggregated effects in the economy suggest inequality can put real downward pressure on long-term portfolio returns. Rising inequality knocked 4.7 percentage points off cumulative growth across 19 OECD countries between 1990 and 2010.[3] Equally, improvements in people's well-being and reductions in inequality can support healthier, more stable systems.

Major transformations are raising the stakes and are making these effects harder to ignore. Artificial Intelligence (AI) could have far-reaching consequences for system health and stability. AI could raise living standards, but also risks displacing workers, further concentrating wealth and compounding inequalities. An estimated 60 percent of jobs in advanced economies and 40 percent in emerging economies are considered to be exposed to AI.[4]

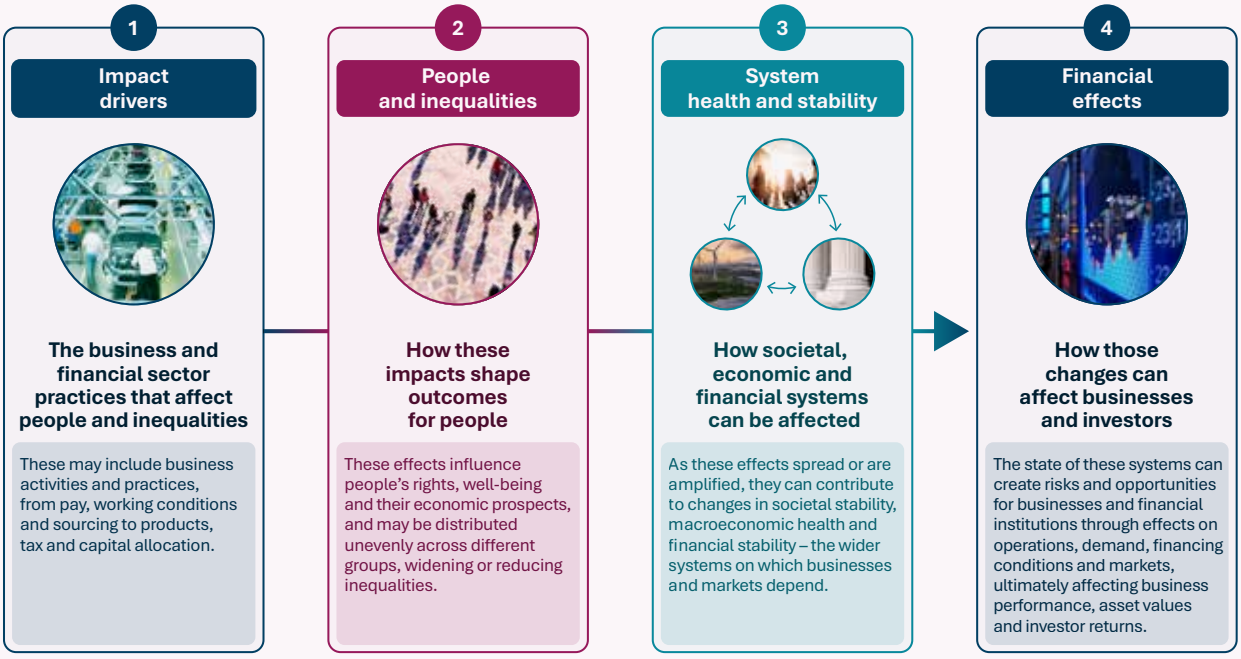
Inequality, climate change and nature loss are closely intertwined. When the costs of climate and environmental policies fall hardest on lower-income households, public support for the green transition weakens. At the same time, climate change and nature loss threaten livelihoods and leave communities more exposed to shocks, with the poorest often hit hardest. The ILO projects that rising heat stress alone will cost the equivalent of 80 million full-time jobs in 2030.[5] Conversely, a just transition to a low-carbon and nature-positive economy can protect jobs and incomes, build public support, and strengthen social cohesion.

The causes of inequality are complex and shaped by a number of wider structural, economic, social and political determinants (Section 2). Global trade, the growing influence of financial markets, declining worker bargaining power, and unequal participation in decision-making all contribute to rising inequalities. No single actor controls these forces, but decisions taken today by businesses, financial institutions and governments can amplify or soften their effects, with consequences for the health and stability of systems for decades to come.

Business and financial activities play a major role in shaping outcomes for people and can widen or narrow inequalities. Decisions on pay, working conditions, sourcing, tax and capital allocation affect people's lives and the distribution of income, wealth and well-being in society. Respecting people's rights is the foundation for addressing inequalities.

TISFD's Four-Stage Pathway

Drawing on research from international organisations and peer-reviewed literature, the paper sets out a four-stage pathway that illustrates how cumulative business and financial sector practices can ultimately have economic and financial effects for market actors by shaping the health and stability of systems.



TISFD's four-stage pathway traces:

1. **Impact drivers** – the business and financial-sector practices that affect people and inequalities. Key drivers include wages, benefits, contracts and working conditions as well as business decisions on procurement, tax and lobbying.
2. **People and inequalities** – how these impacts shape people's rights, well-being and their economic prospects, such as through work, income, access to services, health and skills. Differences in these outcomes between people and groups can widen or reduce inequalities.

3. **System health and stability** – how societal, economic and financial systems can be affected, for example through workforce skills, consumer demand, household financial resilience, and public perceptions of fairness. As impacts accumulate, spread and amplify, they can strengthen or weaken these wider systems.
4. **Financial effects –** how changes in these systems can create risks and opportunities for businesses and investors, for example through operational performance, the regulatory outlook, risk premia and long-run returns.

Non-standard working arrangements illustrate how these effects build and spread through the pathway. Such arrangements can leave workers with less secure jobs and incomes, limited benefits and fewer opportunities to develop skills, with consequences for their physical and mental health. Women, migrants and young workers may be disproportionately affected, which can widen existing inequalities. When these arrangements become widespread, the effects compound. They can weaken workers' bargaining power, putting pressure on wages and protections in other roles and places. Unstable incomes can make it harder for families to afford secure housing or maintain their health. Across an economy, households may spend less and struggle to withstand financial shocks, and communities may lose confidence that they are being treated fairly. These pressures can create system-level risks that flow back to businesses and investors through lower productivity, weaker consumer demand and more borrowers struggling to repay loans.

The pathway gives businesses and investors a structured way to see how risks and opportunities may arise and what they might mean for decision-making, performance and returns.

Key Findings and Implications

The evidence reviewed points to three key findings. **First, business and financial-sector activities exert a powerful influence on inequalities**, from hiring and training to procurement and capital allocation. No single business or financial institution determines the outcomes and inequalities alone; the pathways operate through the cumulative effect of practices across firms, sectors and economies. The paper identifies an indicative set of 27 key private sector drivers of inequality (Section 5).

Second, intensifying inequalities can weaken societal stability, macroeconomic health and financial stability. A number of transmission channels are identified including: social unrest; trust in business; human capital; consumer demand; household debt; wealth concentration and asset bubbles (Section 4.1). System dynamics mean risks can compound over time and shocks may manifest suddenly. Inequality can build up to increase system fragility; stronger social cohesion can help societies and economies withstand disruption (Section 3).

Finally, changes in these systems linked to inequalities can create risks and opportunities for businesses and investors. The paper outlines how the erosion of system health and stability can affect business performance and resilience and long-term portfolio returns for investors (Section 4.2).

The findings have implications for businesses, investors and policymakers. Businesses are exposed to risks because they depend on the health and stability of systems to operate, grow and create long-term value. Changes in societal stability, macroeconomic health and financial stability can affect market demand, labour markets, operating conditions and other factors that shape business performance and resilience.

For investors, the consequences of inequality can affect entire portfolios. Understanding how investee companies contribute to inequality, and how they are exposed to the risks it creates, is increasingly important for investment and stewardship decisions. It also opens the way for investors to look beyond individual companies towards sector-level engagement and system-level stewardship.

For policymakers, including financial market regulators, supervisors and central banks, greater visibility of these risks, and how business and financial-sector activities contribute to them, can support better-informed policy design and responses.

This discussion paper provides a basis for TISFD to refine its emerging thinking and inform the further development of the TISFD Framework [6], including future disclosure recommendations, guidance and metrics. The paper also identifies key evidence gaps, set out in Section 6: how changes in system health and stability translate into business performance and investment returns; the relative contribution of different drivers; the opportunities associated with stable, cohesive economies and societies; and how inequalities and related system-level risks may evolve, including under different scenarios. TISFD invites experts and stakeholders to test the evidence, challenge the findings and help shape the next stage of this research.

Section 1

Introduction

Inequality is increasingly considered to be one of the most important sources of risks facing economies and societies today. The report by the G20 Extraordinary Committee of Independent Experts on Global Inequality published in 2025 at the request of the South African Presidency described inequality as one of the most urgent concerns in the world today, with significant ramifications for economies, societies and our ability to address climate change.[7] Inequality, societal polarisation, and the erosion of human rights all rank in the top 10 of risks identified by the 1,300 global experts that responded to the World Economic Forum's (WEF) Global Risks Perceptions Survey, with inequality the most interconnected of all, influencing our collective ability to address major risks.[8] Conversely, there are strong indications, based on historical evidence and forward-looking models, that addressing inequalities, securing human rights, including labour rights, and investing in the well-being of all people can yield significant societal and economic benefits.

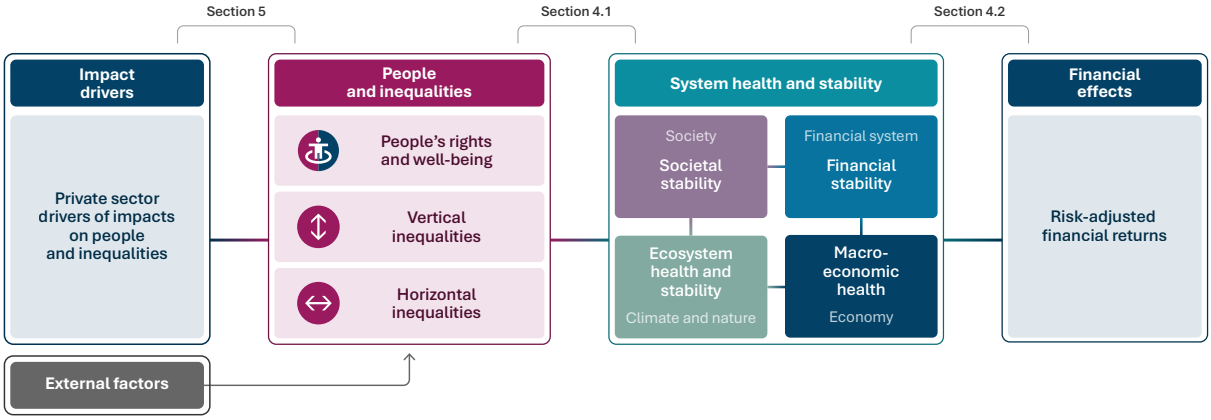
While inequality is already high and rising, climate change and the emergence of Artificial Intelligence (AI) are likely to supercharge existing inequality dynamics and further drive the concentration of wealth and resources. Climate change has been extensively shown to have disproportionate impacts on the most vulnerable people, while the same populations have fewer resources to adapt. About 60 percent of jobs in advanced economies and 40 percent of jobs in emerging economies have been considered to be exposed to AI.[9] Already, 50 - 70 percent of changes in the U.S. wage structure over the last four decades have been attributed to automation, characterised by wage declines of workers in routine tasks.[10] All indications are that AI is poised to amplify the wage and employment effects of the digital transformation, exacerbate inequalities, and affect virtually every domain of human life.

Inequality is among the most significant sources of system-level risks. Its drivers are complex and interconnected: long-standing structural factors, such as historical legacies, demographic trends, climate change and technological change, alongside economic, social and political factors, such as the erosion of workers' bargaining power, the fragmentation of work and informality, discrimination and bias, and the gendered division of labour. Within this context, the realisation of people's rights and well-being, and inequalities, are shaped by the actions of multiple actors. Governments influence inequalities through policy, regulation and public investment. Businesses and investors also play a role when social costs are externalised, for example when wages fail to cover a decent standard of living, shifting the burden onto workers, communities and public systems. These costs surface across the wider economy through constrained consumer demand, greater reliance on public services, increased social instability, or financial sector vulnerabilities. They are ultimately partially borne by investors whose portfolios reflect the health of the broader economy. Against this background, diversified investors increasingly recognise their interest in understanding system-level risks and using their levers to influence outcomes that either erode or bolster long-term value across markets.

Inequality is also of concern for individual businesses. Inequality has been shown to place a significant drag on economic performance, weakening the demand and growth on which business revenues depend, and shaping the size of consumer markets, the availability and productivity of the labour force, and the predictability of the policy environment needed for productive investment. Beyond these effects, the impacts that businesses have on people, and the disparities that these impacts can create, may result in legal, reputational and operational risks. Too often, workers, communities, and good relationships with consumers are still seen as a cost, rather than as driver of business value. Yet under-investing in people is the real cost: the same drivers of negative impacts on people, which can lead to fines, supply chain disruptions or reputational damage for an individual company, also erode societal stability and the health of the macro economy. Conversely, positive impacts by market actors on people can help support the health and stability of social and economic systems, and there are enormous opportunities to be seized by mitigating excessive inequalities and ensuring that the economy serves all people.

The Taskforce on Inequality and Social-related Financial Disclosures (TISFD) was created with the view of addressing the needs and interests of providers of capital for information regarding both entity-level financial risks and opportunities as well as inequality-related system-level risks and opportunities that can reasonably be expected to affect portfolio returns over the short-, medium- and long-term. As such, a key objective of TISFD is to give investors, regulators, policy makers, and wider audiences better access to information about the risks of inequality, and the opportunities associated with addressing them.

Figure 1.a | A schematic of the different segments of the pathway explored in this paper



Note: Figure 1.a shows which section of the paper covers each stage of the pathway. It is repeated at the start of each relevant section to orient the reader.

This paper is intended to take stock of the existing evidence base on the causes and consequences of inequality relevant to private sector actors, as depicted in the pathway presented in Figure 1.a. The analysis does not suggest that system-level outcomes are determined by individual businesses acting alone. It recognises that inequalities and people-related outcomes are shaped by the interaction of public policy and institutions, business and financial sector activity, and wider structural, economic, societal and political determinants. Because inequality is pervasive and urgent, this paper sometimes frames these dynamics in relation to negative impacts and risks, but the inverse is very much possible as well. Business decisions and practices that improve outcomes for people help strengthen the social and economic conditions on which long term business success depends. This makes inequality not only a risk to manage, but addressing it is an opportunity to reinforce the foundations of sustainable growth.

The paper is organised as follows:

- **Section 2** reflects on the broad determinants of inequalities and people-related outcomes, explaining the role of public and private actors as well as contextual factors.
- **Section 3** introduces a number of key concepts related to people, inequalities, and TISFD's understanding of both entity- and system-level risks and opportunities.
- **Section 4** documents the linkages between inequality and societal stability, macroeconomic health and financial stability, and the resulting risks and opportunities to businesses and investors.
- **Section 5** presents research on the private sector drivers of inequality and their effects on the health of systems.

Purpose of this paper

The TISFD Framework (Beta Version 0.1), published in May 2026, recognises investors' evolving needs for information that provides insights on entities' exposure to system-level risks and opportunities. It also recognises the need for information on the externalities that, cumulatively, may contribute to undermining societal stability, macroeconomic health and financial stability, and which are therefore relevant to investors and businesses alike. Central to the Taskforce's work is the understanding that businesses and financial institutions benefit from identifying, assessing, managing and reporting on their impacts and dependencies on people, and the risks and opportunities that arise from them. Yet comparable information on externalities is not always readily available across the economy, limiting investors' ability to assess and respond to related system-level risks.

While TISFD's predecessors, Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD), were able to rely on authoritative international bodies to identify critical drivers of climate change and nature loss, no internationally agreed set of drivers of inequality exists. In part, this is because impacts on people and contributions to inequalities occur in the capillaries of the economy: in the myriad ways businesses and investors interact with people as workers, communities and consumers. The confluence of contributing factors, including the role of private and public actors, historical legacies, social norms, and external factors such as climate change, presents an attribution challenge. The drivers of system-level risks are therefore inherently complex and sometimes uncertain. At times, the drivers of systemic risks are clear with hindsight but remain unnoticed until it is too late, as was the case in the lead-up to the 2008 Global Financial Crisis, when widespread high-risk loans resulted in large swaths of people losing their homes and jobs.

This discussion paper is written to provide an evidence-based foundation specifically to TISFD's disclosure recommendations on future work on system-level risks and opportunities. In particular, this paper intends to:

- → Inform TISFD's understanding of the way in which risks and opportunities can arise from dependencies on the health and stability of systems.
- → Support future guidance related to the identification and assessment of people and inequality-related risks, which may originate from system-level dynamics.
- → Provide an evidence-based foundation for the selection of core metrics that TISFD may recommend all entities disclose, in part to provide information on externalities relevant to system-level risks and opportunities.

HOW THIS PAPER IS RELEVANT TO DIFFERENT STAKEHOLDERS

Different stakeholders will engage with inequality-related system-level risks from different perspectives, including their implications for financial performance and returns, public policy, societal outcomes and the realisation of people's rights. This paper aims to provide a common evidence base from which different audiences can better understand and assess the relevance and implications of inequality-related system-level risks. The specific relevance of this paper differs across stakeholder groups:

Investors: Better understanding of how investees may affect and be exposed to inequality-related system-level risks can help identify emerging portfolio-wide risks and opportunities and inform investment, stewardship and engagement decisions, in line with fiduciary duties. It can also support investors in recognising how their own decisions and practices, including capital allocation and structuring, may influence inequality dynamics and the conditions that give rise to system level risks.

Businesses: A better understanding of the relationship between inequality, system-level risk and business performance can help organisations identify and address emerging risks and opportunities, strengthen resilience and support long-term business success. The paper can also help businesses better understand the pathways through which their impacts on people may connect to inequality and contribute to system-level risks. In doing so, it reinforces the importance of responsible business conduct, in line with the United Nations (UN) Guiding Principles on Business and Human Rights [11] and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct [12], as respecting people's rights is the foundation for addressing inequalities.

Financial institutions: Information on the drivers of system level risks and inequalities, and on the ways these dynamics affect the health of the economy and financial stability, is of particular interest to financial institutions (such as banks, central banks and insurers) because their ability to manage risk and safeguard long term financial stability depends on understanding how system wide conditions evolve, and on recognising how their own decisions can influence inequality dynamics and system level risks.

Policymakers: Inequality-related system-level risks are relevant because they can affect societal stability, market functioning and economic growth. Better visibility into these risks, and into how business and financial-sector activities interact with them, can provide evidence to support more informed policy design and responses.

Standard-setters: The paper explores an area where existing approaches to social-related information and materiality may not fully capture the cumulative or system-level effects of inequality. The evidence can help inform discussion about which information may be relevant, where existing standards already provide useful foundations, and where further development may be needed.

Labour organisations: Workers are directly affected by business and financial sector practices through their wages, job security and access to decent work. As members and beneficiaries of pension funds they are also exposed to the changes in system health and stability, which can affect the long-term value of their retirement savings. A clearer understanding of how business and financial-sector practices contribute to both workers' livelihoods and their pension savings can inform labour organisations' participation in social dialogue, including collective bargaining, and their engagement with employers, investors and pension fund trustees.

Civil society organisations: Considering system-level risks provides an additional way for civil society organisations to understand how business and financial-sector impacts on people can accumulate across societies and economies. It can help make visible the connections between people's rights and well-being, inequalities and wider societal and economic outcomes.

Provide feedback

TISFD is publishing this paper as a discussion paper to test and refine its understanding of the relationship between inequality, system health and stability, and its relevance for businesses and financial institutions, rather than to present final conclusions.

The Taskforce welcomes feedback from all stakeholders, including businesses, investors, financial institutions, standard-setters, policymakers, academics and experts, labour organisations and civil society. Feedback may cover the paper as a whole or specific sections. It may also include suggestions of evidence, data or research that TISFD should consider.

TISFD would particularly welcome views on the following questions:

1. **Overall approach.** Does the paper's framing of the pathway from business impacts on people, through inequalities, to system health and stability and financial effects provide a useful basis for understanding inequality-related system-level risks? Are important elements or pieces of evidence missing?

2. **Evidence on system health, stability and financial effects.** Does Section 4 adequately reflect the evidence on how inequalities affect societal stability, macroeconomic health and financial stability, and the resulting risks and opportunities for businesses and financial institutions? Does it interpret this evidence accurately, including where it is strong, mixed or contested? What significant evidence is missing?

3. **Private sector drivers of inequalities.** Do the drivers identified in Section 5 capture the business and financial practices with the greatest influence on inequalities? Do you have comments on the approach or the way the drivers are identified and described?

4. **Regional relevance.** To what extent do the relationships described in this paper hold across regions and contexts? Are there important regional dynamics or sources of evidence that the paper does not capture?

5. **Use in practice.** How could the evidence in this paper inform the decisions of your organisation, such as risk assessment, stewardship, capital allocation or policy design? What would make it more useful?

Please share your feedback via the online survey by Monday, February 15th, 2027.

The paper and feedback received will inform TISFD's future work in relation to inequalities and system-level risks and opportunities, including the content of the TISFD Framework and related guidance and metrics.

Section 2

How inequalities emerge: the broad determinants of people-related outcomes and inequalities

In many countries, inequalities are high and rising. Almost two-thirds of the world's population lives in countries where inequality is increasing [13], and in a number of economies top income shares are back at levels last seen 100 years ago. [14] Of the US$280 trillion in new wealth created globally between 2000 and 2024, the top 1 percent captured 41 percent and the bottom half less than 1 percent. [15] More of the gains from growth are going to capital rather than labour. In the United States, the labour share of output fell to 53 percent in the second quarter of 2026, the lowest since records began in 1947 and down from 64 percent in 2000. [16]

Globally, the richest 10 percent of adults receive 53 percent of income and own around three-quarters of wealth, while the poorest half receive 8 percent and own just 2 percent. [17] Approximately 83 percent of countries, home to roughly 90 percent of the world's population, exceed the World Bank's threshold for high income inequality. [18] Gaps between countries have narrowed somewhat, bringing the global Gini coefficient, which measures income inequality among all people in the world as if they lived in a single country, down from 0.69 in 1990 to 0.60 in 2022, largely explained by economic growth in China and other parts of Asia. [19] But this convergence is uneven: many low-income countries have fallen further behind, and poverty reduction has stalled since 2020. [20]

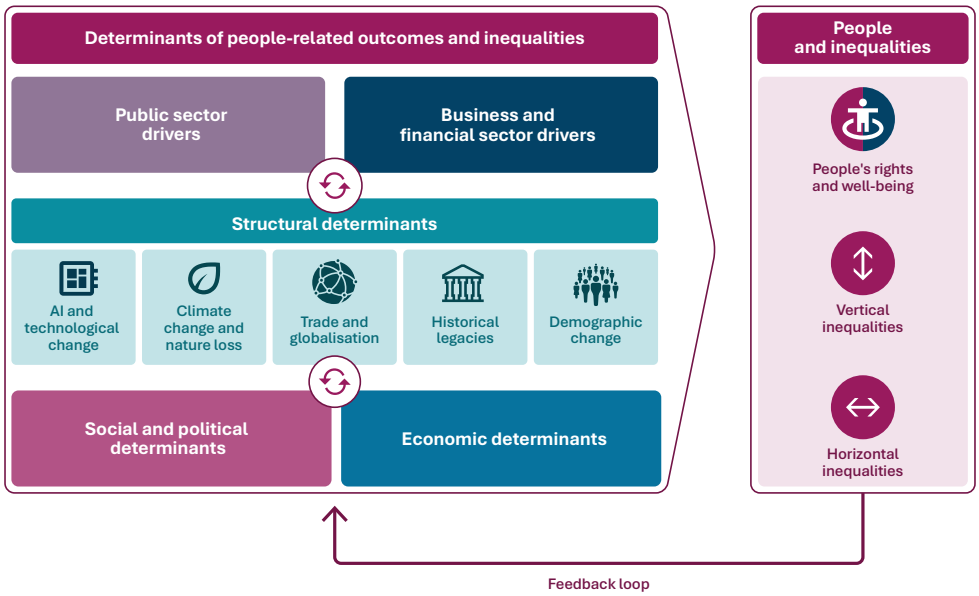
At the same time, inequalities between groups remain persistent. Circumstances beyond individuals' own control, such as gender, race, ethnicity, place of birth and family background, account for up to 80 percent of income inequality in South Africa, around 60 percent in many Latin American countries, 50 percent in India and 40 percent in the United States. [21] These gaps are closing slowly, if at all. While some progress has been made on gender equality, none of the Sustainable Development Goal (SDG) indicators under the gender equality goal are on track for 2030. [22] Racial wealth convergence in the United States has largely stalled since the mid-twentieth century, leaving white Americans with around six times the wealth of Black Americans per capita. [23]

The determinants of inequalities

Many inequalities have deep historical roots and tend to persist because of self-reinforcing mechanisms. Advantage is passed across generations through inheritance, education and social networks, while patterns of discrimination and exclusion established in the past continue to shape access to resources and opportunities. In addition, when returns on capital consistently outpace overall economic growth, wealth held by existing asset owners tends to grow faster than income from work, gradually widening the gap between asset owners and workers. [24]

Structural determinants, such as global trade and technological progress, paired with economic, social and political factors including the decline of the bargaining power of workers, the fragmentation of work and informality, financialisation and discrimination and bias are often cited as causes of rising inequalities within countries in recent decades. Climate change and the emergence of AI risk adding fuel to the fire in the years to come (see also Box 2.a).

Figure 2.a | Determinants of people-related outcomes and inequalities



Note: The realisation of people's rights and well-being, and inequalities between people, are the result of a range of factors, including the actions of governments, private sector actors, as well as a range of structural factors, including historical legacies, demographic trends, climate change, and technological change, and economic, social and political factors, such as the erosion of workers' bargaining power, fragmentation of work and informality, discrimination and bias and unpaid care work and the gendered division of labour.

The **public sector**, including governments, central banks, and public banks, performs a critical function in the realisation of people's rights and advancing their well-being. Public institutions provide a range of public goods and services (e.g. health care, education, social protection, infrastructure) that are foundational to people's well-being. They play a key role in mitigating inequalities through taxation and social transfers. A number of additional policy levers have particular influence over inequalities, including labour market policies, financial market regulations, as well as anti-trust laws and their enforcement. Monetary policies set by central banks can also have significant distributional effects.

The **private sector** plays an equally critical role in advancing human well-being and sustainable development. The private sector creates the majority of jobs in most countries, ensures the provision of a range of goods and services that people both need and desire, and is an important engine of innovation. [25] The physical and social working environments that businesses create for their workers, the extent to which they operate in communities with respect for the environment and human rights, including labour rights, and the way in which they design and market their products and services also affect the well-being of workers, communities and consumers, in positive or negative ways. Businesses and financial institutions also have a number of levers at their disposal that can either add to, or mitigate, existing inequalities. Section 5 of this paper is devoted to further examining the determinants of inequality and the private sector drivers of inequalities.

BOX 2.A — ARTIFICIAL INTELLIGENCE: MOUNTING PRESSURES ON INEQUALITY

> “ AI will either be the greatest equalizer ever invented, or the worst source of injustice.”
>
> Bill Gates, August 2026 [i]

Artificial Intelligence (AI) holds the potential to raise living standards and accelerate human progress [26]**, but it also carries significant risks**. Beyond concerns about the safety of the technology itself, AI has the potential to reshape how societies are organised and accelerate existing inequality dynamics. Previous paradigm-shifting technologies, such as agriculture, electricity and digital technologies, have upended social structures and contributed to inequality. [27] The development, use, control and impacts of AI are already unevenly distributed within and between countries. As AI evolves rapidly and is adopted more widely across society and the economy, these disparities risk widening. [28]

While the exact impacts of AI on labour markets and earnings inequality remain hard to predict, AI has the potential to reshape labour markets unevenly and add pressure to inequalities. [29] As it matures, AI will likely be able to replace many tasks in part or in full, and displace entire job categories. [30] Already, employment among workers aged 22–25 in highly exposed occupations in the US is estimated to stand 19 percent below where it would otherwise be. [31] But AI may also create new jobs, and raise productivity and earnings for those whose skills complement it. Some models suggest that high-skilled workers can see disproportionate income gains, contributing to earnings inequality. [32] Low-paid jobs are currently less exposed to AI itself but more exposed to impacts on working conditions, such as through AI-driven surveillance and algorithmic management.

In a survey on the impacts of AI, economists expect the share of wealth held by the top 10 percent of US households to increase to 75 percent in 2030 and 80 percent in 2050 in a rapid adoption scenario, up from 71 percent in 2023. [33] If adoption continues at pace, AI will continue to generate returns for existing asset owners, adding to wealth and reinforcing pre-existing wealth inequality. [34] Depending on the extent of the displacement effect of AI, over time, the returns of AI may flow disproportionately to capital rather than to labour. At present, capital, AI infrastructure and intellectual property are already highly concentrated. [35] At the same time, the host communities of data centres, or the creators of the content that has fed algorithms, have little claim on the value they help create. [36]

AI capacity is highly concentrated, allowing a few countries to capture most of its gains and reinforcing inequalities. [37] The United States and China together hold around 90 percent of the computing power of the world’s top 500 AI supercomputers, and a few countries control critical chip inputs that shape the supply of AI technology. [38] Adoption follows the same pattern: wealthier countries integrate AI across education and health, while poorer and island states lack the connectivity, skills and data control to do the same. [39] AI could therefore shift jobs and investment towards economies that are better positioned to adopt it. However, developing economies that close these gaps could also attract new AI-enabled work. [40]

i Gates, B. (2026, August 26). The turbulent AI era is here. The choices we make now are critical. *Gates Notes.* https://www.gatesnotes.com/a-turbulent-ai-era-and-critical-choices-to-make

Section 3

Understanding people, inequalities and system dynamics

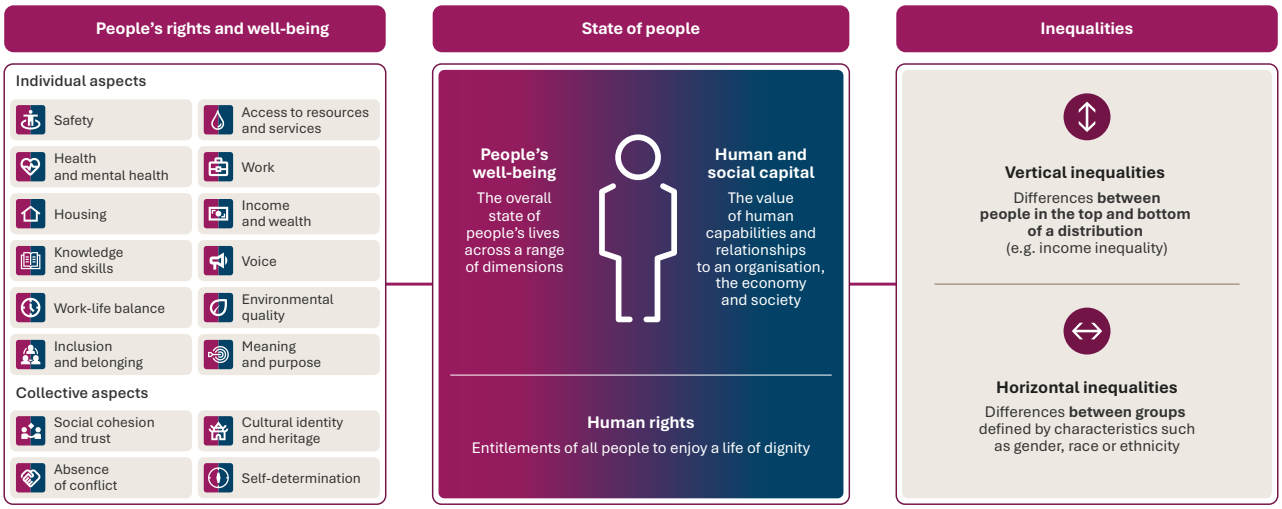
This section introduces key concepts that are relevant to understanding the pathways that shape inequalities and related system-level risks, building on the conceptual foundations of TISFD's Framework.

People and inequalities

People's rights and well-being are multi-dimensional, spanning income and wealth, health and mental health, knowledge and skills, inclusion and belonging, among others (see Figure 3.a). These aspects are also foundational to the human and social capital embedded in individuals and collectives. Businesses and financial institutions can have impacts and dependencies on the full range of aspects of people's rights and well-being.

Inequalities refer to disparities between people across these various aspects. TISFD distinguishes between vertical inequalities, or disparities between those experiencing the best and worst opportunities or outcomes, and horizontal inequalities, disparities between groups with different characteristics, such as gender, age, race or ethnicity, disability, sexual orientation or geography. These include inequalities between countries.

Figure 3.a | Foundations for understanding social issues and inequalities



Note: The constructs of human rights, well-being and human and social capital are all concerned with understanding and managing the multi-faceted aspects of the state of people. The illustrative aspects shown in this figure apply across contexts, but additional aspects may be important in certain regions or cultures.

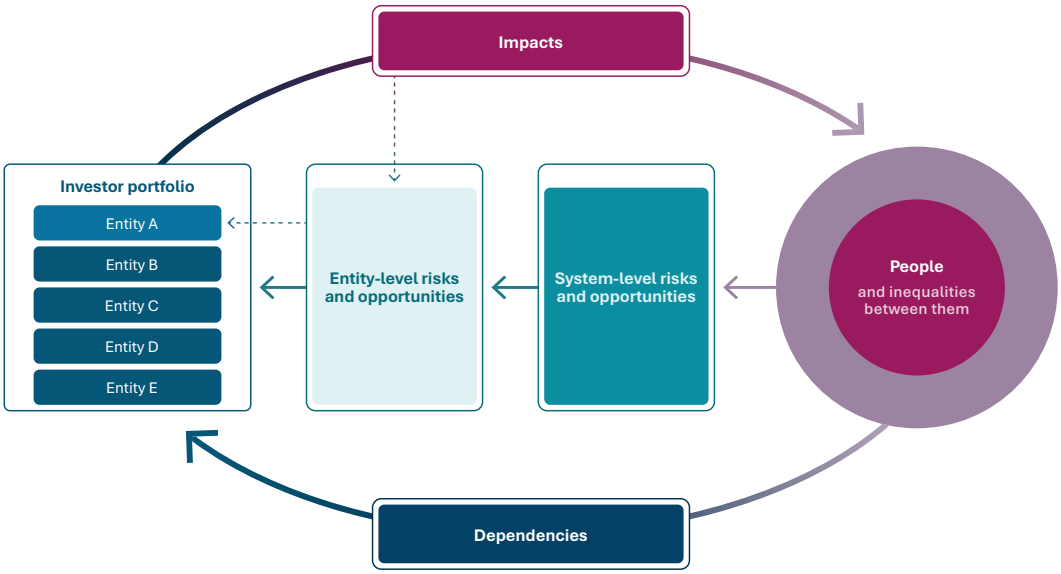
Source: TISFD Framework v0.1, Section 3, Conceptual Foundations.

Risks and opportunities that arise from impacts and dependencies on people

TISFD also recognises that both impacts and dependencies can give rise to risks and opportunities for businesses and financial institutions. As Figure 3.b shows, the impacts of an individual entity on people (e.g. "Entity A") can result in risks and opportunities to the same entity, described as entity-level risks and opportunities. This is the case, for example, when a company has to pay a fine or settlement following an accident, or when a community conflict associated with land impacts causes operational delays.

But the TISFD Framework also acknowledges that when negative impacts, or negative externalities, accumulate or are capable of altering the stability or functioning of social, economic or financial systems, they can contribute to the emergence of system-level risks. Equally, positive impacts, such as investments in worker well-being and skills, can provide operational opportunities for a business, but can also have positive spillovers for other entities operating in the economy, and therefore provide system-level opportunities.

Figure 3.b | The relationship between impacts and entity- and system-level risks



Note: This figure shows two distinct pathways from impacts to risk and opportunity. The dotted line shows a direct pathway: an impact, such as restrictions on worker representation and resulting low wages paid, can translate into risk for Entity A, such as operational disruption from strikes, or reputational damage. The solid lines show a second (system-level) risk pathway. When the impact accumulates across entities in the economy (for example impacts from Entities A, B & C), it shapes people-related outcomes and inequalities in society as a whole. In this case, the erosion of workers' purchasing power can have consumption and demand effects, with consequences for entities across the economy (potentially all of Entities A, B, C, D & E).

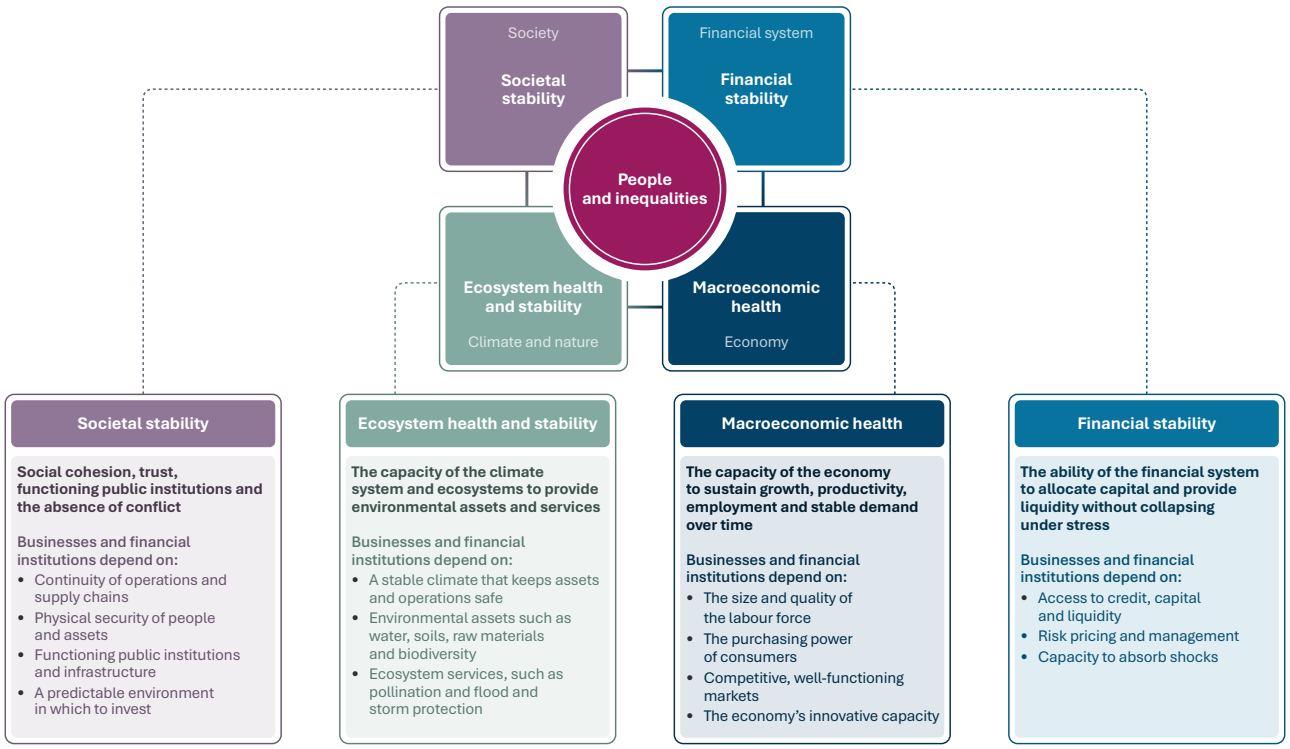
In some cases, and on some time horizons, negative impacts on people can be associated with financial opportunities for businesses and financial institutions. In business models that depend on low-wage workers, or platform workers without access to basic labour rights, businesses can have significant negative impacts on people that can be associated with certain financial opportunities for those businesses, at least in the short term.

Such practices and business models undermine the health of the systems on which all market actors depend, and therefore can give rise to system-level risks. The TISFD Framework seeks to bring information relevant to these system-level pathways into the scope of disclosures to help businesses, investors and financial institutions apply a system-level lens and manage the full set of risks businesses and investors are exposed to.

Interconnected systems and system dynamics

TISFD's Framework is concerned with how businesses affect and depend on society, the economy and the financial system, as well as the way in which these interact with climate and nature (Figure 3.c). Businesses and financial institutions depend on societal stability, macroeconomic health, financial stability and ecosystem health and stability, in order to avoid acute shocks and tipping points, as well as for a predictable environment to support growth and investment.

Figure 3.c | Four interconnected systems



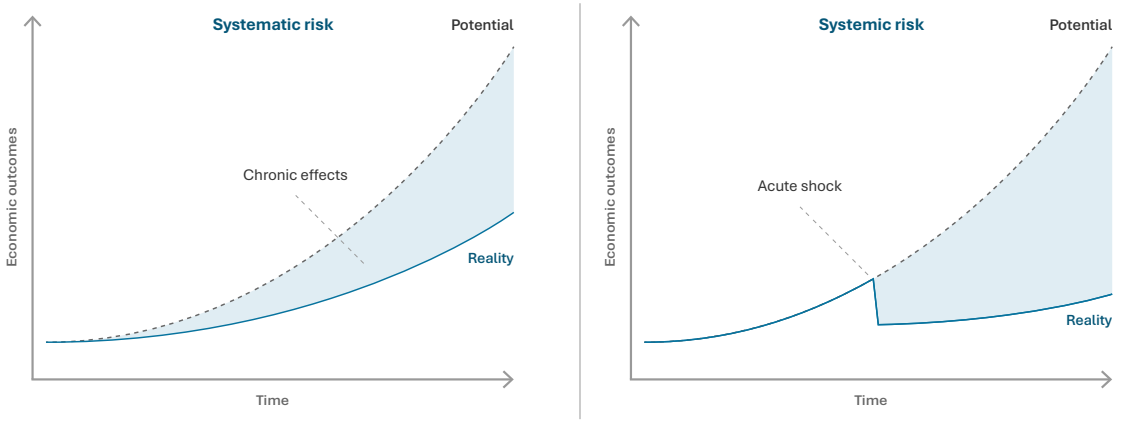
Disturbances in each of these systems can present system-level risks and opportunities and in turn give rise to risks and opportunities for businesses and financial institutions, as is further documented in Section 4.2. System-level risks can manifest through chronic and acute dynamics (see Figure 3.d). Societal, economic, environmental and financial systems are highly interconnected, so pressure on one can spread to the others.

TISFD DEFINITIONS

System-level risk refers to non-diversifiable risks originating from the market's dependencies on environmental, financial and social resources (systematic risk); or any major disturbance in environmental, financial and social systems that results in cascading effects on the economy and financial system (systemic risk).

System-level opportunities are opportunities for all or most actors across the economy to benefit from improved economic and financial outcomes resulting from the broad-based realisation of people's rights, the advancement of their well-being, and reduced inequalities.

Figure 3.d | Systematic and systemic risk



Note: Systematic risk erodes economic outcomes gradually through chronic effects that compound over time, producing a widening gap between potential and realised outcomes. Systemic risk, by contrast, manifests through acute shocks. In both cases, system-level risks can be associated with a permanent loss of economic potential.

A few considerations are worth noting with respect to how system-level risks and opportunities manifest:

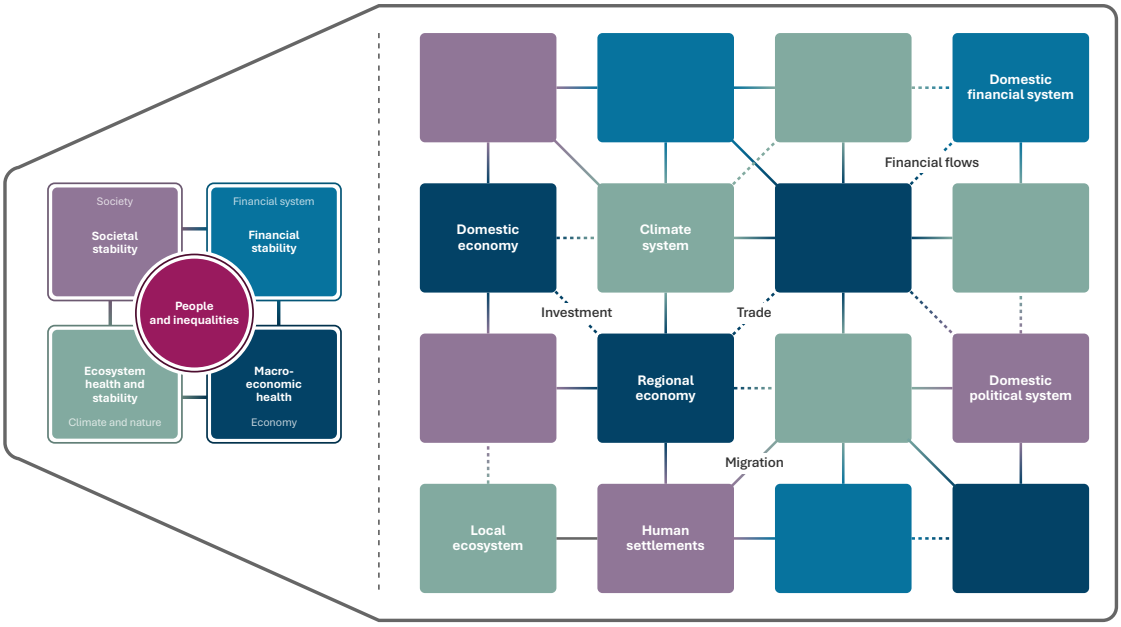
- **Systemic risks can be characterised by tipping-point dynamics and feedback loops.** The Global Tipping Points Report defines tipping points as "occurring when change in part of a system becomes self-perpetuating beyond a threshold, leading to substantial, widespread, frequently abrupt and often irreversible impact(s)." [41] Feedback mechanisms or feedback loops can push a system closer to a tipping point.

- **Resilience plays an important role in determining whether a systemic risk materialises.** Resilience refers to the buffers, margins and institutions that determine whether stress is absorbed or spirals into crisis. [42] In the context of social issues, resilience can take the form of social cohesion and strong community ties, a workforce with up-to-date and transferable skills that is adaptive to change, and the financial buffers and fiscal space that households and governments need to respond to crises. Inequality can weaken that resilience.

- **Reaching positive tipping points can help reach system-level opportunities.** Positive impacts can create feedback loops that help achieve system-level opportunities. Such dynamics have previously paved the way to the inclusion of women, racial and ethnic minorities, and other social groups in society and in the economy. [43] Achieving such positive tipping points can generate significant economic benefits for all market actors.

- **Global and local systems are connected:** Each of the systems described in this paper is global in nature, but are also composed of interconnected sub-systems: regional economic and financial systems, domestic political systems, and local ecosystems [ii]. These sub-systems are connected to one another through concrete channels: investment and trade linking economies, financial flows connecting financial systems, and migration and information flows linking societies (see Figure 3.e).

Figure 3.e | Global systems are composed of regional, domestic and local sub-systems



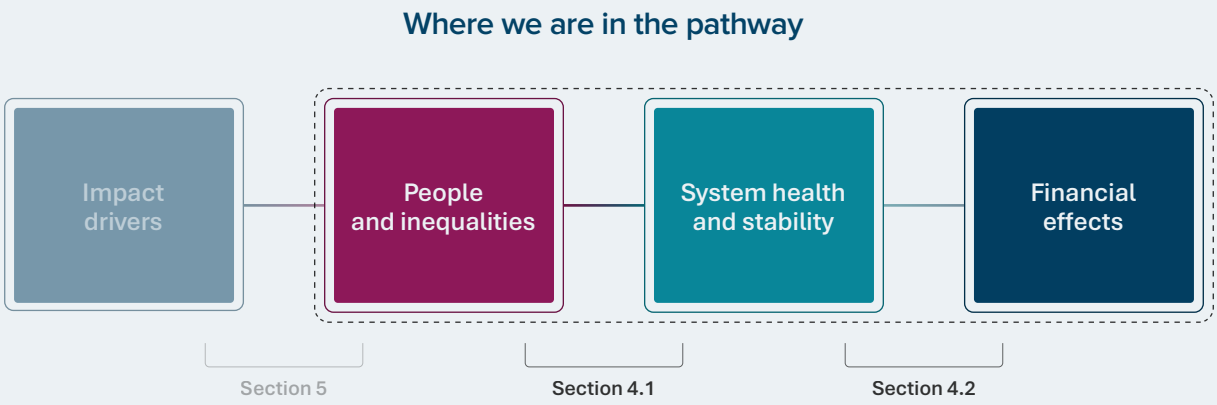
Note: Each of the four systems shown on the left connects to sub-systems, such as regional economies and local ecosystems. These are linked to each other through channels such as investment, trade, financial flows and migration, meaning disruptions can propagate within and across domains, which allows localised shocks to accumulate and cascade to other systems.

→ **Scenario analysis can support the anticipation of system-level risks and help seize opportunities.** Scenario analysis can help businesses, financial institutions, governments, regulators and other actors understand possible future trajectories and assess their resilience to the uncertainties. Integrated reference scenarios that consider environmental and social systems, such as the Earth4All scenarios [44], provide a reference for organisations that are ready to start anticipating integrated social and environmental risks.

ii Systems can be disaggregated in further ways, too. For example, the food system is an example of a system that operates at the intersection between societies and communities, economies, and ecosystems. A representation of the interconnectedness of the food system with these other systems can be found in the *Global Tipping Points Report 2023* (Lenton et al., 2023, Figure 2.2.8, p. 190).

Section 4

Inequalities, system-level health and stability, and financial effects



> “ The available evidence on inequality should concern leaders everywhere. The world understands that we have a climate emergency; it’s time we recognise that we face an inequality emergency too. ”
>
> G20 Extraordinary Committee of Independent Experts on Global Inequality [45]

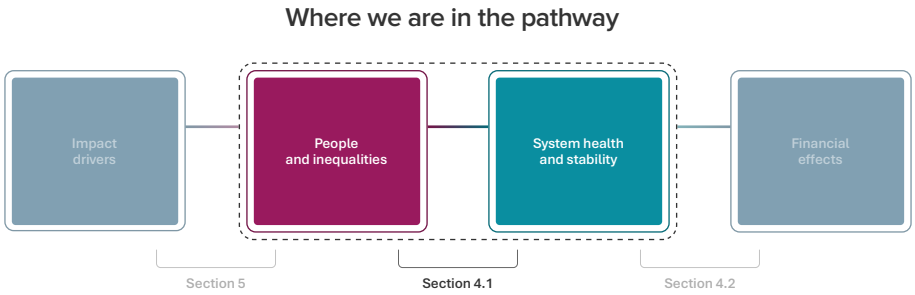
Societies and economies miss enormous opportunities when they fail to realise the potential of all people. Gender inequalities are a good illustration. In 2018 it was estimated that human capital wealth could be $160.2 trillion higher if women would earn as much as men. [46] In 2026, gender inequalities remain stubbornly high, and the WEF reports that at the current pace of progress, it will take 123 years to close gender gaps. [47] When inequality manifests as the inability of large groups of people to realise their rights and well-being, and when it reaches extreme levels, it has the potential to constrain humanity’s collective potential and erode the fabric upon which societies and economies are built.

The objective of this section is to explain and evidence some of the linkages between inequality, the health of systems and corresponding risks and opportunities for businesses and financial institutions. It first considers the ways in which inequality affects the stability of societies and the health of economies and financial systems, as well as how it interacts with climate change and nature loss. It then documents evidence on how the health and stability of these systems have tangible economic and financial consequences for businesses and financial institutions in the form of operational disruptions, impaired demand, higher costs of capital, depressed long-term returns, and ultimately, the potential for large-scale losses in the case of financial sector or societal collapse.

BOX 4.A — METHODOLOGICAL NOTE

The evidence in this section is drawn from an analysis of peer-reviewed literature and reports from international institutions such as the International Monetary Fund (IMF), OECD, UN, World Bank and national central banks, as well as other policy and practitioner sources, where relevant. The aim has been to explain well-grounded pathways that convey the breadth, weight and direction of the evidence. This review is not intended to be exhaustive. TISFD intends to deepen this evidence base over time with a wider range of partners across disciplines and geographies.

4.1. How people's rights, well-being and inequalities affect the health of systems



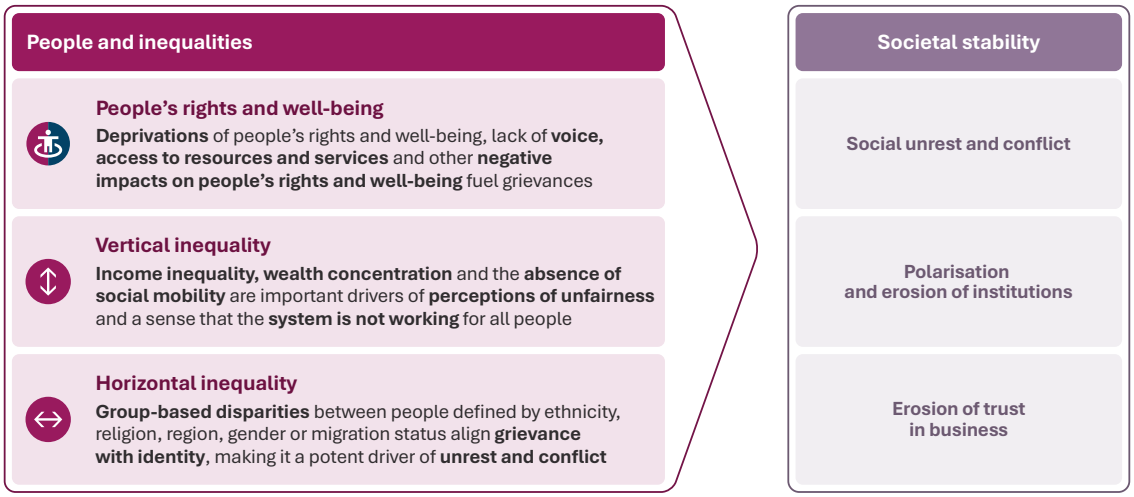
INEQUALITY AND SOCIETAL STABILITY

Inequality is among the most important drivers of societal instability. When the gains from economic activity are distributed in ways that are widely perceived as unfair, or when the ability of people and communities to participate in decision-making is undermined, the social contract on which functioning economies depend can unravel. Specifically, inequality and the undermining of people's rights and well-being can contribute to polarisation and the erosion of institutions, social unrest and conflict, and can undermine trust in business and markets (see Figure 4.1a).

TRENDS IN SOCIETAL STABILITY

1. The World Economic Forum's most recent global risk assessment ranks **societal polarisation among the most severe risks** over both two-year and ten-year horizons. [48] Mass social unrest and political instability is regarded as the fourth most plausible Black Swan scenario globally by businesses in Allianz's 2026 Risk Barometer. [49]
2. In a 25-country survey by Ipsos in 2025, **68 percent of respondents agreed that their economy is rigged** to favour the rich and powerful. In 23 of 31 countries, a majority said their society is "broken." Around 31 percent of people across OECD countries believe the political system allows people like them to have a say. [50]
3. **Less than 30 percent of the global population thinks most people can be trusted**. [51] Trust and social cohesion have been found to be low and declining in different regions of the world, including Africa, Asia and Latin America. [52]
4. Nearly **a quarter of the world's countries are currently undergoing democratic backsliding**, and for the statistically average global citizen, democracy has reverted to its 1978 level, erasing roughly fifty years of gains. [53]
5. In the last 12 months, over **113 significant anti-government protests** have erupted worldwide, and more than 68 countries have experienced significant protests. [54]

Figure 4.1a | Inequality and societal stability



Social unrest and conflict

Inequality can lead to social unrest [iii] and, when it reaches a certain tipping point, contribute to the emergence of political violence and conflict. Income inequality is an important predictor of civil unrest and political violence. A recent quantitative reconstruction covering 193 countries from 1810 to 2010 finds that rising inequality is systematically associated with a higher likelihood of civil war onset. [55] In India, a country that has recently seen large-scale youth protests, a 10 percent increase in a local inequality measure has been shown to raise the probability of social unrest by 6.5 percent. [56] Where grievances align with ethnic, religious or regional identity, horizontal inequality is the stronger and more robust predictor of conflict. [57] Vertical inequality can lead to class-based unrest and, over long historical horizons, contribute to the build-up to revolutionary upheaval [58].

The risk of social unrest and conflict is not confined to developing and emerging economies. Significant conflict is a low-probability but potentially high-impact event in all countries with high and rising levels of inequality. Recent estimates suggest that the post-1970s rise in inequality in the United States roughly doubled the long-run risk of civil war. [59] History also documents recurring episodes in which sustained concentrations of income and wealth were among the conditions that preceded social upheaval, revolution or state breakdown, from the French Revolution to the revolutions of 1848 across France, the German and Italian states, to social upheavals across Europe and North America [60], and, more recently, the Gilets jaunes in France and the estallido social in Chile.

Polarisation and the erosion of institutions

Inequality also erodes the social fabric in a more chronic manner, degrading social cohesion and trust, fuelling polarisation and weakening the quality of institutions. IMF research finds robust evidence that rising inequality lowers social trust across both the United States and Europe. [61]

[iii] Protests are not in themselves a sign of an unhealthy or unstable society. Peaceful protest is an important part of social and political life, and freedom of assembly and association are human rights. However, where protests escalate into broad-based civil unrest, political violence or conflict, they may signal deeper societal instability and may cause greater disruption to social and economic activity.

Inequality has also been linked to increasing resentment between opposing political groups across different parts of the world. [62] Cross-country evidence from 1990 to 2020 finds a positive and statistically significant association between income inequality and political polarisation. [63]

These effects extend to democratic institutions [64] and the underlying capacity of public institutions. [65] Evidence increasingly points to inequality and democratic erosion as mutually reinforcing, where concentrated income translates into concentrated political influence, which can further entrench inequality and weaken the checks meant to constrain it. [66] When wealthier households can opt out of public services in favour of private alternatives, inequality weakens public support for the taxation and investment on which quality public provision depends. [67] Recent analysis of US states suggests that states with higher levels of wealth inequality are associated with lower indicators of democratic quality. [68]

Inequality and declining social cohesion can also fuel support for political extremes [69], which in turn can further deepen polarisation and strain democratic institutions. [70] Rising regional inequalities driven by local economic decline play an important role in this dynamic as economic shocks that heighten insecurity are particularly strong predictors of political polarisation. [71] Sharp declines in trust over time and low levels of life satisfaction among voters have also been used to explain growing support for political extremes in developed economies. [72] These political shifts can carry economic costs: as noted in Section 4.2, a study covering more than a century of governments found that leaders the authors classify as "populist" produce significantly worse economic outcomes. [73]

Erosion of trust in business

A particular facet of discontent closely linked to the erosion of social cohesion and distrust relates to the erosion of trust in business and in market systems. The 2024 Edelman Trust Barometer finds that a majority of respondents across 28 countries believe business, government, media and NGOs serve narrow interests. [74] Perceptions that institutions serve the few now shape attitudes toward business: the 2020 edition found that 56 percent agreed capitalism as it exists today does more harm than good in the world. [75]

Disillusionment with the functioning of the system and perceptions of inequality are also associated with worker disengagement. Only 20 percent of employees worldwide were found to be engaged at work in 2025. [76] In the same year, nearly 70 percent of people in the US reported thinking the idea that hard work gets you ahead no longer holds or never did, the highest share in nearly 15 years of surveys. The share saying they have a good chance of improving their standard of living fell to 25 percent. [77] These sentiments also detract from productivity and the health of the economy.

BOX 4.1A — ARTIFICIAL INTELLIGENCE AS AN ACCELERANT OF SOCIETAL STABILITY RISK

AI adds to potential societal stability risks by exacerbating inequality and wealth concentration, as well as through its effects on employment and political and information systems, among others. Some models predict a scenario where record-high levels of productivity growth, of up to 18 percent, will occur alongside a collapse in wage levels, which could be highly divisive and destabilising. [78] More than 200 leading economists, including sixteen Nobel laureates, have warned that AI could transform the economy on a larger scale than the Industrial Revolution and far faster, with risks of large-scale job displacement. [78]

Employment shocks are extremely corrosive for societies. Unemployment is one of the largest depressants of well-being, erodes institutional trust, and has been shown to boost support for populist parties. [79] Anthropic CEO Dario Amodei has suggested that AI could wipe out up to 50 percent of all entry-level white-collar jobs within five years, causing unemployment to spike as high as 20 percent. [80] In May 2026, the publication, The Economist, wrote that "Eventually, humans could, like horses in the age of the car, become uneconomical [...] Severe disruption to the security and status of so many people could lead to widespread unrest, even revolution." [81]

AI is also changing how information spreads and how political influence is exercised. Engagement-driven algorithms already amplify hostile content, with measurable effects on polarisation. [82] Generative AI makes such content far cheaper to produce at scale. [83] Meanwhile, the wealth accruing to a handful of leading technology firms and their owners translates into outsized political influence. In 2025, the technology sector spent a record €151 million lobbying the EU [84], while in the United States, groups supporting a deregulatory agenda on AI have pledged over $100 million to the 2026 US midterm elections. [85] This risks weakening the democratic process behind AI governance and further eroding trust.

INEQUALITY AND MACROECONOMIC HEALTH

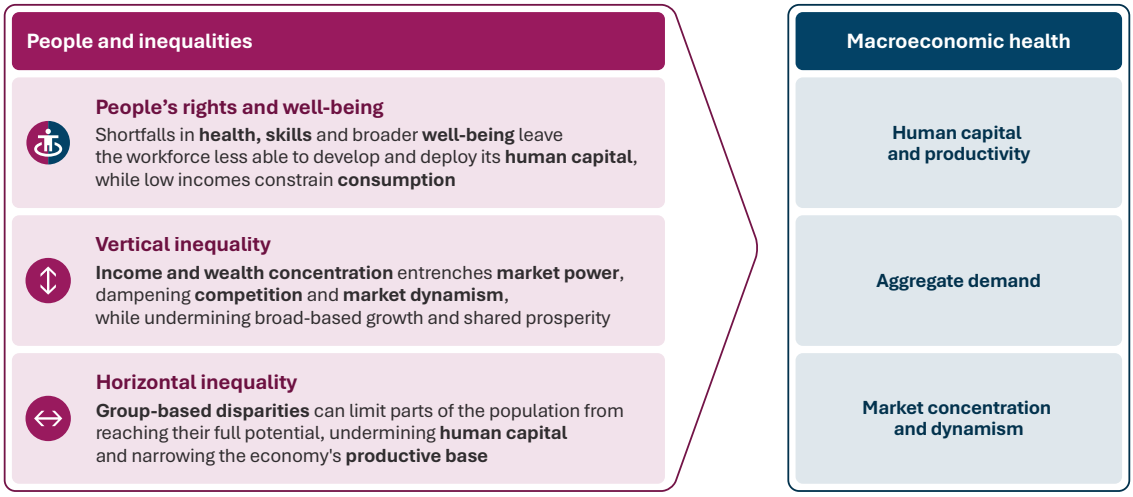
Inequality undermines macroeconomic health and, in most cases, places a drag on economic growth. Theoretical explanations exist to support both a positive and negative relationship between inequality of income and growth. [86] In theory, income inequality can ensure that capital is available for investment through savings of the wealthy, and inequality may provide incentives that boost productivity. [87] Some empirical studies suggest that, particularly during early stages of economic development, greater income inequality may temporarily boost growth [88], although other studies do not find similar effects. [89]

When considering inequalities in all its dimensions, however, both theory and evidence support the idea that inequalities constrain growth, productivity and innovation. Unrealised human rights, including labour rights, poor health, low skills and well-being, and highly unequal distributions of income and wealth weigh directly on the health of the economy from two sides. On the supply side, inequality erodes the human capital and labour on which productivity and long-run growth depend, while the concentration of wealth and market power that comes with inequality can dampen the competition and dynamism that fuel innovation and investment. On the demand side, suboptimal outcomes for people suppress the purchasing power that supports consumption and, with it, the level of output the economy can sustain.

TRENDS IN MACROECONOMIC HEALTH

1. Global medium-term **growth forecasts (2028-2031) of 3.1 percent per year are at their lowest in decades** and are well below the average of 3.7 percent per year in the pre-pandemic decades (2000-19). [90]
2. In advanced economies, **productivity growth fell from 1.4 percent between 1995-2000 to just 0.4 percent between 2020 and 2023**. Emerging market economies saw a drop from 2.5 percent between 2001–07 to 0.8 percent after the pandemic. [91]
3. **Average global markups climbed from about 1.1x to 1.6x between 1980–2016** across 134 countries, with the increase concentrated in advanced markets, a sign of weakening competition. [92]
4. Investment growth has been persistently weak across OECD economies since the 2008 Global Financial Crisis. In OECD countries, **business investment** at the end of 2023 remained **about 23 percent lower than its pre-global-financial-crisis trend**. [93]

Figure 4.1b | Inequality and macroeconomic health



Human capital and productivity

Inequality and deprivations in people's rights and well-being constrain the accumulation of human capital in individuals. Where large parts of the population, particularly those at the bottom of the distribution, are unable to develop or use their capabilities, the economy is less productive than it could be. Low incomes inhibit workers and families from accessing health care, education or social protection; [94] poor working conditions result in reduced health and mental health; [95] time-poverty prevents parents from investing in the well-being and opportunities of their children; and pollution and community conflict further constrain access to resources and a safe and healthy environment, all of which are foundational to human capital accumulation.

Inequality erodes the skills and health that workers bring to their jobs. Skills inequalities within countries have widened over the past decade. While in many countries, literacy and numeracy skills have declined or stagnated among low-educated adults, skills of the top 10 percent of adults in the national distribution have often improved. [96] Health also follows a steep socio-economic gradient.

To illustrate these patterns: in the United States, the richest 1 percent of men live 14.6 years longer than the poorest 1 percent, and the richest 1 percent of women live 10.1 years longer. [97] Globally, people born in the country with the highest life expectancy can expect to live 33 years longer than those born in the country with the lowest. [98] Poverty and mental ill-health have been found to reinforce each other causally. [99]

The accumulation of human capital happens across the life course, as documented by the World Bank in the 2026 Human Capital Report. [100] Early deprivations compound: children of higher-income, better educated parents benefit from greater financial, cultural and social resources, whereas deprivation in early childhood impairs cognitive development. [101] Children from families in the top 1 percent are 10 times more likely to become inventors than children from below-median-income families. [102] Experimental evidence has confirmed the causal effects of childhood income on school readiness, educational attainment and adult health. [103] Learning does not stop once formal education ends: around half of the human capital accumulated over a lifetime is acquired through workplace training and learning-by-doing, opportunities disproportionately available to workers already in stable, higher-quality jobs, so early disparities reproduce themselves across working life. [104]

Inequalities between women and men, between racial and ethnic groups and other social groups also shape the accumulation of human capital. Unpaid care work, disproportionately performed by women, reduces the time available for education, training and paid work, and remains a leading driver of gender gaps in labour force participation. [105] Occupational segregation and discrimination continue to impede women around the world from attaining their full productive potential. [106] Racial, ethnic and other minority groups often face structural constraints in the building of human capital: residential and school segregation produce persistent racial gaps in educational achievement independent of family income, while workplace discrimination further constrains the labour market potential of racial and ethnic minorities, with these disparities compounding across generations. [107]

Aggregate demand

Since people are also consumers, inequality shapes aggregate demand through differences in the propensity to consume. Lower-income and lower-wealth households consume a larger share of each additional unit of income than wealthier households, so a concentration of income and wealth at the top reduces aggregate consumption: purchasing power that would have been spent is instead saved. [108] Estimates of the marginal propensity to consume are markedly higher for households with little liquid wealth than for the wealthy, so increases in inequality mechanically dampen spending relative to a more equal distribution. [109] Where this persists, demand is chronically weak relative to the economy's productive potential. [110] AI could reinforce these demand effects. It has been postulated that, in an economy driven by highly competent AI, aggregate demand associated with consumption could weaken as income shifts from labour to capital. [111]

Market concentration and economic dynamism

A particular feature of the dynamics underlying inequality that has the potential to undermine the productive and innovative potential of economies is concentration among firms themselves. Average markups charged by publicly listed firms in advanced economies have risen sharply since the early 1980s. [112]

Over the same period, business dynamism has weakened. In many countries, the share of economic activity accounted for by young firms has fallen, and the reallocation of capital and labour towards more productive firms, a key source of productivity growth, has weakened.[113] This growing gap in market power has coincided with a well-documented slowdown in productivity growth across advanced economies, a pattern that a growing body of research links to weakening competitive pressure.[114]

Excessive market concentration has a number of detrimental consequences for macroeconomic health. Weaker competitive pressure suppresses firms' incentive to invest in their own productive capacity. Since the 2000s, corporate investment in more concentrated US industries has fallen increasingly short of what firms' valuations would normally imply.[115] In industries with high market power, businesses have favoured distributions to shareholders over productive investment.[116] Relatedly, weaker competition undermines innovation: declining competitive pressure removes the incentives that drive incumbents to innovate.[117] Concentration also raises the barriers new entrants face, narrowing the pool of future challengers, including potential innovators.[118] For example, in global agrifood systems, four firms control 56 percent of the commercial seed market and 61 percent of the pesticide market.[119] Dominant firms in these systems can use their market power to restrict access for others.[120]

Market concentration and inequality represent a feedback loop that is characteristic of system dynamics. While undermining the incentives to invest and innovate, market power allows redistributing wealth toward the owners of dominant firms. Modelling in eight OECD countries conducted in 2017 finds that market concentration had raised the wealth of the richest 10 percent of households by 12 to 21 percent while reducing the income of the poorest 20 percent by 11 percent or more, an effect compounded by the fact that equity ownership is far more concentrated than consumption.[121] Monopsony dynamics, where dominant firms have significant wage-setting power, undermining wages of workers at the bottom of the distribution, have similarly been linked to inequality.[122] Concentrated income and wealth can, in turn, be redeployed to entrench market power further, including through political influence, for example, to raise barriers to entry.

BOX 4.1B — INTERACTIONS BETWEEN CLIMATE CHANGE AND OTHER SYSTEM-LEVEL RISKS

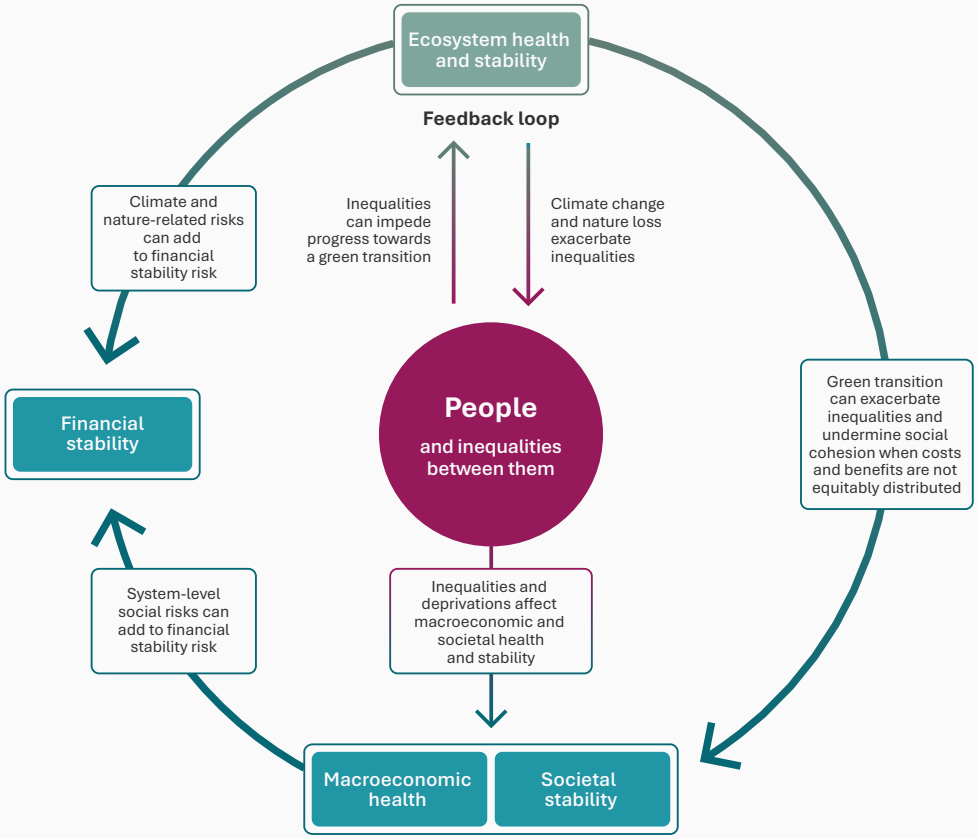
Climate change and nature loss have the potential to deepen inequality and amplify effects on societal stability, macroeconomic health and financial stability.

The impacts of climate change and nature loss fall hardest on vulnerable groups and regions. Rising temperatures, sea-level rise and extreme weather occur at higher rates in developing and emerging economies. [123] Marginalised groups are both more likely to live in areas facing heightened physical risks, such as flood zones, and less able to afford protective measures. [124] In turn, inequality undermines the green transition itself. Its success depends on public support for mitigation and adaptation policies. When people perceive that its costs and benefits are unevenly shared, polarisation and opposition can stall transition activities. [125]

These dynamics can undermine societal stability and macroeconomic health. For example, regions reliant on high-impact sectors, such as coal mining or other extractive industries, may be at risk of societal instability in the event of an industry exit without proper consideration for the impacts on local communities and workers. [126] Conversely, a well-planned and just transition that engages communities, workers, unions and businesses can generate practical solutions, foster buy-in and strengthen social cohesion. Decarbonisation costs passed on to consumers can fuel inflation. If wages do not keep pace, purchasing power falls, particularly for low-income households, deepening inequality and eroding support for the green transition. [127] On the side of macroeconomic health, the International Labour Organization (ILO) projects that rising heat stress will cost 2.2 percent of total working hours worldwide in 2030, equivalent to 80 million full-time jobs and $2.4 trillion in economic losses. [128]

These risks flow through to the financial system. Physical climate impacts may damage assets, drive up insurance losses and result in loan defaults [129], while a disorderly transition can leave high-carbon assets stranded and trigger repricing. [130] Societal instability and the erosion of macroeconomic health add to this pressure: weaker growth, falling household incomes, and political instability raise credit risk and can strain public finances. [131] In the extreme, a single major shock, such as an extreme weather event or a political crisis, could trigger synchronous failures across ecosystems, social cohesion and the global financial system. [132]

Figure 4.1c | Interactions between climate change, nature loss and other system-level risks



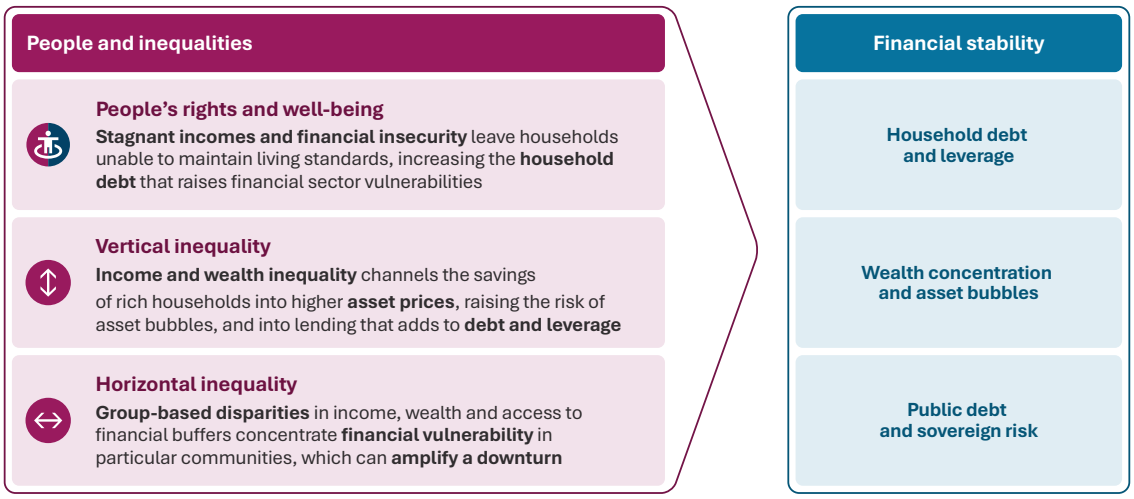
INEQUALITY AND FINANCIAL STABILITY

Rising inequality shapes the flow of saving and credit through the financial system in ways that can build up financial sector vulnerabilities, raise the probability of crises, and deepen the losses when crises occur. Three mechanisms stand out: a household-debt channel, a wealth concentration and asset-price channel, and a public debt and sovereign risk channel.

TRENDS IN FINANCIAL STABILITY

1. **Global public debt has climbed** from around 60-65 percent of GDP before the 2008 Global Financial Crisis to **almost 94 percent** in 2025, and is projected to reach 100 percent by 2029. [133]
2. Equity markets are becoming increasingly dominated by a few large firms: in two of the six major markets, **concentration is now higher than in 95 percent of past observations**. [134]
3. In a sample of advanced economies, including Australia, France, Germany, Italy and the United States, **household debt servicing levels rose from around 7 percent of household income to 11 percent** between 2021 and 2024. [135]

Figure 4.1d | Inequality and financial stability



Household debt and leverage

Inequality can raise both the demand for credit from lower- and middle-income households and the supply of loanable funds from those pulling ahead, producing a rise in household leverage concentrated in the middle and bottom of the income distribution. [136] This configuration preceded major past US financial crises: the income share of the top 5 percent climbed from around 24-34 percent before 1929, and from around 22-34 percent before 2008, each alongside a sharp rise in the household debt-to-income ratio. High leverage is not merely a risk factor but can also amplify a crisis when it comes.

Wealth concentration and asset bubbles

A second mechanism concerns the relationship between inequality and asset prices. Because high-income households save a far larger share of their income, rising income concentration at the top generates a large and growing pool of savings for the wealthiest households.

Where these savings are not absorbed by investment in new productive capacity (e.g. factories, infrastructure, equipment or research), they are directed instead towards financial assets and can put downward pressure on interest rates. Low rates in turn push up asset prices, which are disproportionately held by the wealthy, further concentrating wealth, which reinforces the cycle. [137] For financial stability the concern is twofold: a large pool of savings chasing a limited stock of assets raises the risk of asset-price bubbles, and an economy anchored at persistently low rates has less room to respond when a shock arrives.

Public debt and sovereign risk

Rising inequality can undermine governments' fiscal space reducing their ability to respond to financial shocks. [138] Inequality tends to raise the demand for social protection. At the same time, tax avoidance and evasion, which themselves contribute to inequality, can erode the tax base. [139] Together, these pressures can push up public debt. Higher public debt poses a financial stability risk because government bonds sit at the core of the financial system, including on bank balance sheets. [140] These risks are current: the IMF warns that elevated public debt and growing reliance on short-term issuance are raising rollover risks in core sovereign bond markets, which could accelerate rising bond yields, tighten funding markets and present financial stability risks. [141]

BOX 4.1C — REGIONAL VARIATIONS IN THE LINK BETWEEN INEQUALITY AND SYSTEM HEALTH AND STABILITY

The nature of inequalities, and the ways in which they affect system health and stability, vary widely across regions. How inequality turns into societal instability depends, among others, on institutions, demographics and the nature of group-based differences. In emerging and developing economies, weak institutions, large youth cohorts and thin buffers against shocks may make grievances more likely to erupt as protest, political violence or, where deprivation aligns with group identity, armed conflict. [142] In advanced economies, stronger institutions tend to absorb grievances in the short run, but risks build more chronically through falling trust, polarisation and political extremism, and may therefore be underestimated.

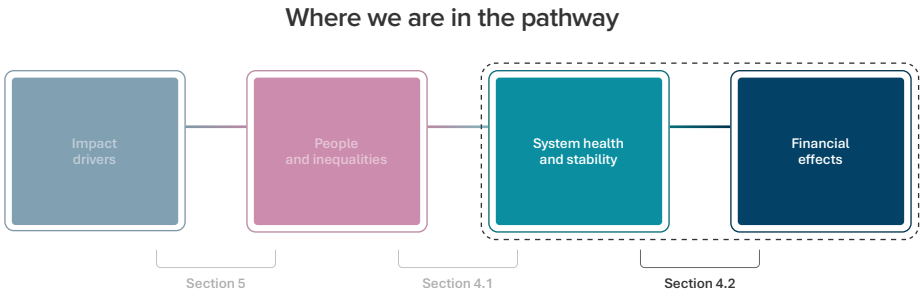
The human capital costs of inequality take different forms. In advanced economies, the human capital cost of inequality arises mainly at the bottom of the distribution. In developing economies, exclusion is more widespread: an average child born in Sub-Saharan Africa can expect to reach only 40 percent of their potential productivity. [143] The potential gains from investing in people are therefore substantial, but depend on complementary investment in physical capital and job creation. Over the next decade, 1.2 billion young people in developing economies will reach working age, while only around 420 million jobs are expected to be created. [144]

Inequality weighs on demand differently across regions. In advanced economies, concentration at the top constrains demand, which reducing domestic inequality could ease. [145] In developing economies, economy-wide growth tends to be held back more by supply-side factors such as capital, infrastructure and skills, and domestic redistribution alone may not significantly move the dial. Demand is not irrelevant there, however. For example, in rural Kenya, cash transfers to poor households generated a local multiplier of 2.5 with minimal inflation, suggesting that rising incomes at the bottom can expand markets. [146]

Financial stability channels also vary. The household debt and asset price channels are particularly important in advanced economies with deep capital markets. Fiscal pressures are relevant in countries worldwide but may weigh more directly on emerging and developing economies, where narrow tax bases can raise borrowing costs and debt servicing rates are particularly high. Today, 3.4 billion people live in countries that spend more on interest than on health or education [147], a squeeze that weakens macroeconomic health and can fuel unrest.

In short, the risks and opportunities linked to inequalities depend on context, and do not always manifest in the same way, but across regions, inequalities undermine the health and stability of these systems in one form or another.

4.2. Risks and opportunities related to societal stability, macroeconomic health and financial stability

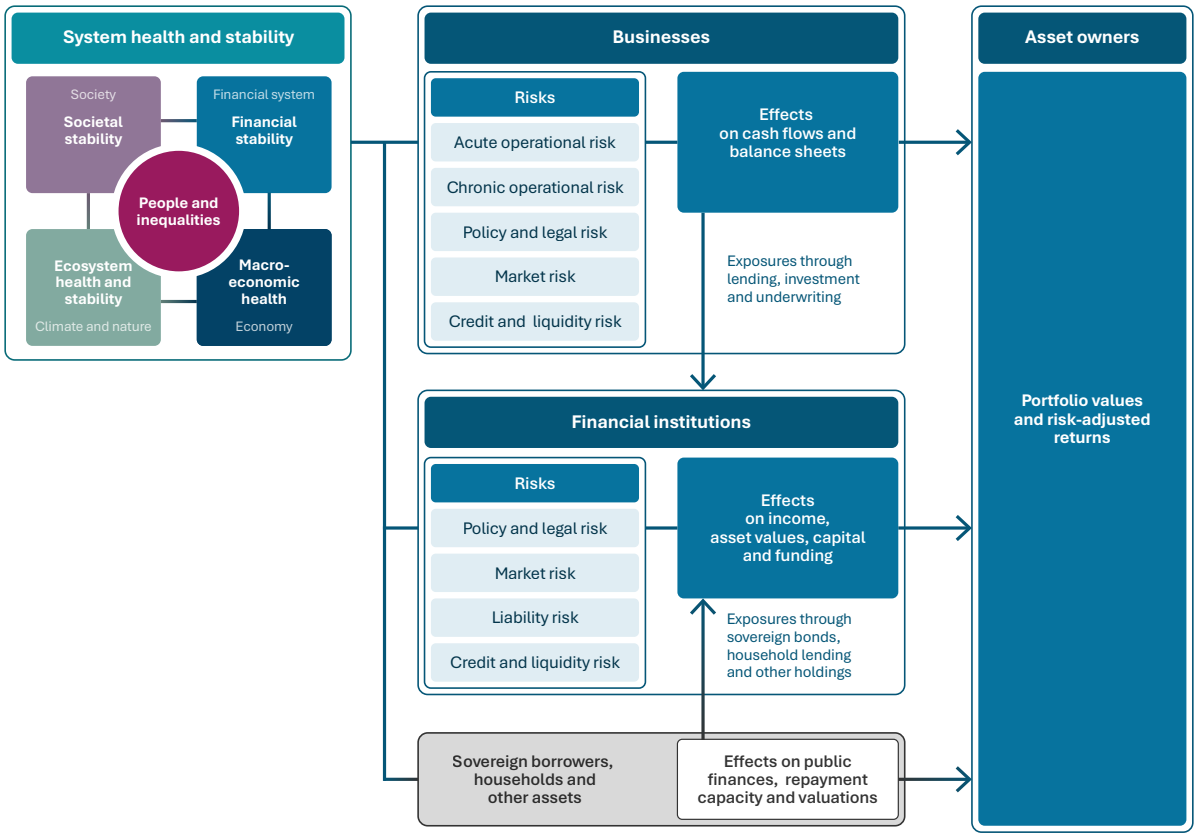


This section traces the pathway one step further, showing how changes in societal stability, macroeconomic health and financial stability generate risks and financial effects for businesses and financial institutions (see Figure 4.2a). For each of the aspects of system health and stability, this section describes the evidence available and identifies the specific risks that individual entities may be exposed to. It considers risks that are more relevant to real economy companies, such as acute and chronic operational risks, risks that are specific to financial institutions, such as liability risks, and risks that are common to both (such as policy and legal risk, and market risk).

The evidence presented in this section is in large part composed of macroeconomic research and demonstrates the way in which the erosion of societal stability, macroeconomic health and financial stability result in aggregate economic and financial effects. The available evidence does not always allow measuring these effects at the level of individual businesses. In some cases, it may not be possible to do so. That does not mean that those effects do not exist. Through future research, TISFD will seek to support the development of the evidence base behind these pathways.

Ultimately, changes in the system health and stability affect investors' risk-adjusted financial returns. Systematic, non-diversifiable risk has been shown to determine anywhere from 75 to 94 percent of the variability of investor returns, while security selection and portfolio construction, which investors can control through trading, only drive 6 to 25 percent of the variability in returns.[148] As noted by Principles for Responsible Investment (PRI) in a policy briefing on the risks of extreme inequality, "for institutional investors whose returns are determined by overall market performance, these risks can trigger broad-based losses, dragging down portfolio value across virtually all holdings".[149] Not all investors and investments are exposed in the same way (see Box 4.2a).

Figure 4.2a | Risks and financial effects related to the deterioration of the health and stability of systems



Note: This figure shows how deterioration in the health and stability of systems, linked to people and inequalities, creates risks for businesses, financial institutions, as well as for sovereign borrowers, households and other assets. These risks affect businesses' cash flows and balance sheets; financial institutions' income, asset values, capital and funding; and public finances, repayment capacity and valuations. Financial institutions are also exposed indirectly, through lending, investment, underwriting and other holdings. All these effects ultimately shape asset owners' portfolio values and risk-adjusted returns.

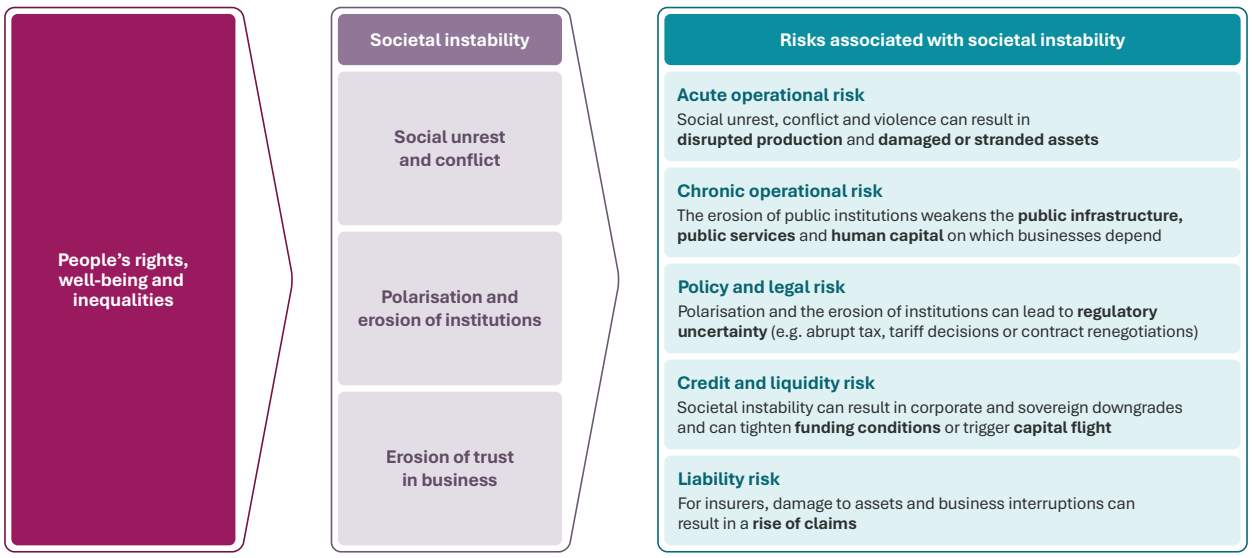
SOCIETAL INSTABILITY: RISKS AND FINANCIAL EFFECTS

The aggregate economic consequences of societal instability are well-documented and potentially severe. Christine Lagarde, the President of the European Central Bank, has re-invoked long-standing warnings that "capitalism, in its excesses, carried seeds of its own destruction, the accumulation of capital in the hands of a few, mostly focused on the accumulation of profits, leading to major conflicts, and cyclical crises".[150] Raghuram Rajan, former Governor of the Reserve Bank of India, has similarly argued that "capitalism is under serious threat because it has stopped providing for the many, and when that happens, the many revolt against capitalism".[151]

IMF estimates suggest that a major unrest event is associated with a reduction in GDP of approximately one percentage point six quarters after the event, with socio-economic unrest generating larger contractions than politically motivated events.[152] These effects operate in part through increased uncertainty in the politico-economic environment, which discourages investment, a channel through which inequality has been shown to constrain growth.[153] General estimates of the global economic impact of violence and conflict suggest that this amounted to the equivalent of 10.6 percent of global GDP in 2019.[154]

Research on democratic backsliding suggests that the erosion of democratic norms generates economic costs by reducing institutional quality and productivity, dampening innovation, and underinvesting in public services.[155] Policy capture, the undue influence of vested interests over public policy, is one channel through which weakened institutions impose these costs. The gains from tackling it can be substantial. In Pakistan, for example, the IMF's 2025 Governance and Corruption Diagnostic Assessment projected that a package of governance reforms could raise GDP by 5 to 6.5 percent over five years.[156] A comprehensive cross-country analysis of 51 leaders between 1900 and 2020 that the authors classify as "populist" finds that, 15 years after these leaders took office, GDP per capita was on average 10 percent lower than plausible counterfactuals. Their time in office was typically accompanied by economic disintegration, declining macroeconomic stability, and institutional erosion.[157]

Figure 4.2b | Risks and financial effects related to societal instability



As Figure 4.2b shows, for individual businesses and financial institutions, these dynamics can manifest themselves in the form of acute and chronic, operational, policy and legal risks, with financial institutions exposed to subsequent credit, liquidity and liability risks.

- **Acute operational risk:** Social unrest, conflict and violence can disrupt production, damage physical assets, interrupt logistics and pose risks to employees. For example, Chile's 2019 estallido social, where a minor fare increase released decades of accumulated grievance over inequality, caused an estimated $4.6bn of infrastructure damage and the worst monthly output fall since 2008.[158] Firms with fixed assets and local revenue (e.g. extractives, utilities, retail, tourism) are particularly exposed to acute operational risks.[159]

- **Chronic operational risk:** The erosion of trust and the degradation of public institutions constrains the operating environment businesses depend on and can be associated with reduced predictability of the rule of law, raising costs and lowering productivity over time. A lack of trust in business can also make it harder to get new projects off the ground. An example of this is visible in the growing resistance against AI data centres, which appears to relate to a confluence of concerns over AI safety and community impacts, as well as broader concerns about the impact of AI on inequality and the concentration of resources in society.[160]

- **Policy and legal risk:** Polarisation and institutional erosion raise regulatory and political uncertainty. A recent OECD paper finds that rising policy uncertainty, which has increased steadily since 2016 and spiked in 2025 amid tariff concerns, may explain part of the persistent shortfall in business investment across OECD countries. [161]

- **Credit and liquidity risk:** Societal instability can trigger corporate and sovereign downgrades that raise borrowing costs and impair existing exposures, and can tighten funding or reverse capital flows. A one-notch emerging-market sovereign downgrade has historically been associated with a material widening of sovereign bond spreads, with spillovers to neighbouring countries.

- **Liability risk:** For insurers, unrest-driven claims can rise sharply, straining reserves. According to re-insurers, the insurance losses of strikes, unrest and civil commotion stand at historical highs. [162]

Conversely, environments with strong institutions and social cohesion command lower risk premia and support the stable, long-horizon investment diversified owners depend on. [163] Globally diversified investors cannot escape the aggregate as unrest becomes more frequent and benefit correspondingly from its reduction. Even at the more local level, evidence has been found to suggest that social capital benefits financial institutions. In the United States, firms headquartered in counties with higher social capital have been found to pay lower spreads on their bank loans. [164]

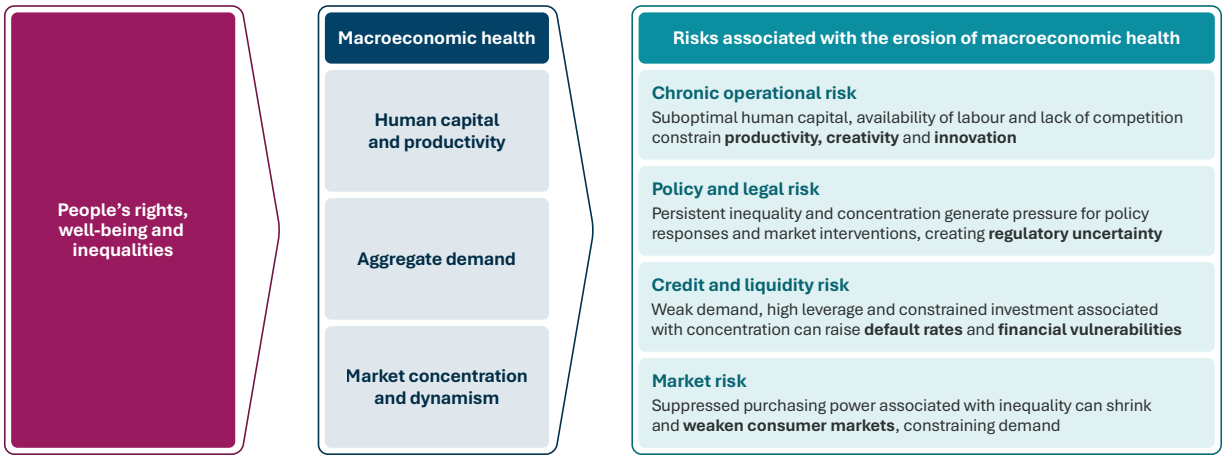
MACROECONOMIC HEALTH: RISKS AND FINANCIAL EFFECTS

Across countries, evidence finds that closing half the inequality gap roughly doubles the expected duration of growth spells [165], and that a one-point rise in the Gini coefficient is associated with roughly a 1 percent reduction in 5-year GDP-per-capita growth for the median country. [166] Similar evidence is becoming available on wealth inequality. A recent study has found that an increase in the wealth Gini coefficient within countries by one standard deviation is associated with reduced growth rates by 0.34 percentage points. [167]

The OECD has identified underinvestment in human capital, particularly among the bottom 40 percent of the income distribution, as the primary transmission channel through which inequality constrained growth across OECD countries in recent decades. [168] Differences in human capital explain roughly two-thirds of the gap in per capita income between rich and poor countries. [169]

Evidence also suggests that on balance, income inequality limits growth by constraining aggregate demand. While higher wages can in theory both decrease growth (due to higher input costs, constraining investment) and increase growth (by contributing to aggregate demand), ILO analysis suggests that at the global level, in aggregate, demand channels dominate, and the labour income share is positively correlated with economic growth. [170] Across countries, a decrease in labour income is associated with reduced growth in the euro area, in the US, the UK, Japan, Turkey and Korea, among others. In the US, it has been estimated that the rise in inequality reduces growth in aggregate demand by about 1.5 percent of GDP annually. [171] In some countries, such as Canada, Argentina, Mexico and India, it has been suggested that decreasing the wage share can boost growth in isolation, because gains in export competitiveness outweigh weaker domestic demand. [172]

Figure 4.2c | Risks and financial effects related to macroeconomic health



As Figure 4.2c shows, for individual businesses and financial institutions, risks associated with macroeconomic health manifest themselves primarily in the form of chronic operational risk, policy and legal risk, market risk, potentially also resulting in credit and liquidity risk:

- **Chronic operational risk:** For individual firms, underinvestment in people's well-being and horizontal inequalities can manifest as difficulties of finding and retaining skilled employees, lost productivity and absenteeism. ManpowerGroup's 2026 US Talent Shortage Survey found 69 percent of US organisations reported difficulty finding skilled talent, whereas in the Asia-Pacific region, 77 percent of employers reported difficulties finding talent, a significant increase from 45 percent in 2014.[173] According to WHO estimates, 12 billion working days a year are lost to depression and anxiety alone, costing $1 trillion a year in lost productivity.[174]

- **Policy and legal risk:** Persistent inequality and market concentration generate pressure for policy responses, creating regulatory uncertainty.

- **Credit and liquidity risk:** Weak, unequally distributed demand can raise default rates, especially among firms exposed to squeezed lower- and middle-income consumers. The debt that sustains demand for a time can tighten funding when the cycle turns. For lenders this is higher default risk; for issuers, a higher cost of capital as risk premia rise.

- **Market risk:** Demand constraints inhibit firms' opportunities to expand into new markets and pursue new revenue streams, and may prevent new firms from entry. In a 2025 European Central Bank (ECB) survey of 64 leading firms in the EU, nine out of ten businesses reported weakness in demand as the most important constraint on business investment.[175]

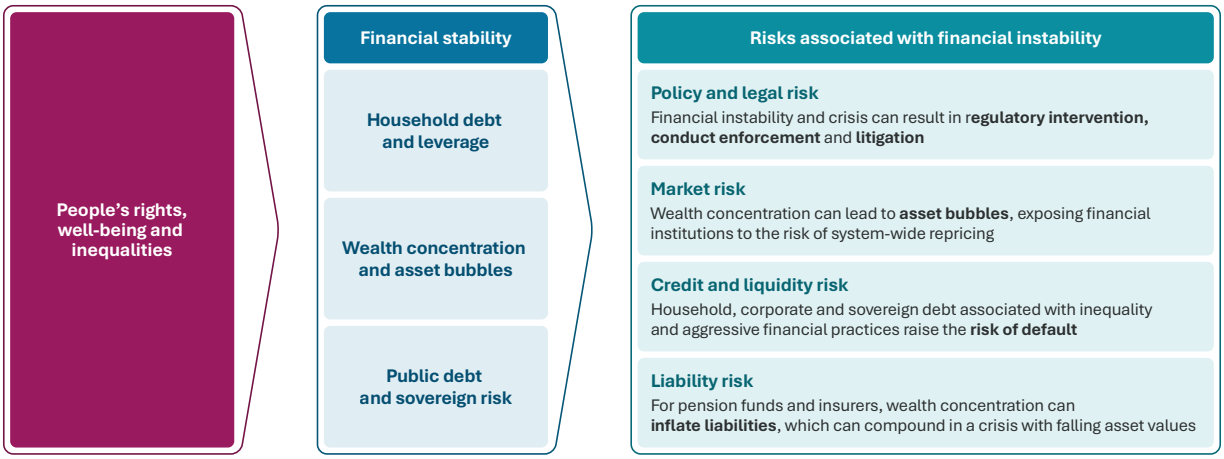
Reducing inequalities and investing in people's well-being can provide a significant potential source of economic opportunities. For example, closing gender gaps in labour force participation and working hours is estimated to add 9.2 percent to GDP on average in OECD economies by 2060.[176]

Citi has estimated that closing racial equity gaps for Black Americans over the first two decades of the twenty-first century could have added an estimated $16 trillion to US GDP.[177] Investing in health and well-being also offers economy-wide returns. For example, the McKinsey Global Institute estimates that better health could add $12 trillion to global GDP in 2040, an 8 percent boost equivalent to roughly 0.4 percent faster growth a year.[178]

FINANCIAL STABILITY: RISKS AND FINANCIAL EFFECTS

When financial crises materialise, the losses can be significant. The 2008 crisis produced a drop in US equities of roughly 57 percent[179], with recovery to trend taking about a decade. Banking crises tend to leave a lasting mark on economies: output typically remains around 10 percent below its pre-crisis trend, and is rarely made up.[180]

Figure 4.2d | Risks and financial effects related to financial stability



As Figure 4.2d shows, for individual businesses, and in particular for financial institutions, this means:

- **Credit and liquidity risk:** Banks and lenders are most directly exposed, through credit losses, collateral impairment and funding or deposit shocks. Holders of structured and high-yield credit face permanent losses where assets are impaired.

- **Market risk:** Wealth concentration and the search for yield can inflate asset prices above sustainable levels, exposing all holders to sharp repricing. Diversified equity investors face deep but usually recoverable declines in equity values. Because repricing tends to be market-wide, these events are hard to diversify away from.

- **Liability risk:** The concentration of savings associated with wealth concentration paired with debt-fuelled aggregate demand among lower-income households can suppress long-term interest rates[181], raising the present value of obligations even before a crisis. For insurers and defined-benefit pension funds, this can compound a crisis in which already falling asset values coincide with falling discount rates.[182]

- **Policy and legal risk:** Crises reliably prompt regulatory intervention, resolution actions, conduct enforcement and litigation, and the build-up of financial sector vulnerabilities can pre-empt regulatory action even before a crisis.

The opportunity case here in relation to financial stability is primarily about resilience and risk prevention. A more equal distribution of income and wealth can reduce households' reliance on debt, help contain asset bubbles and ease fiscal strain. Together, these effects contribute to lowering both the probability and the severity of crises.

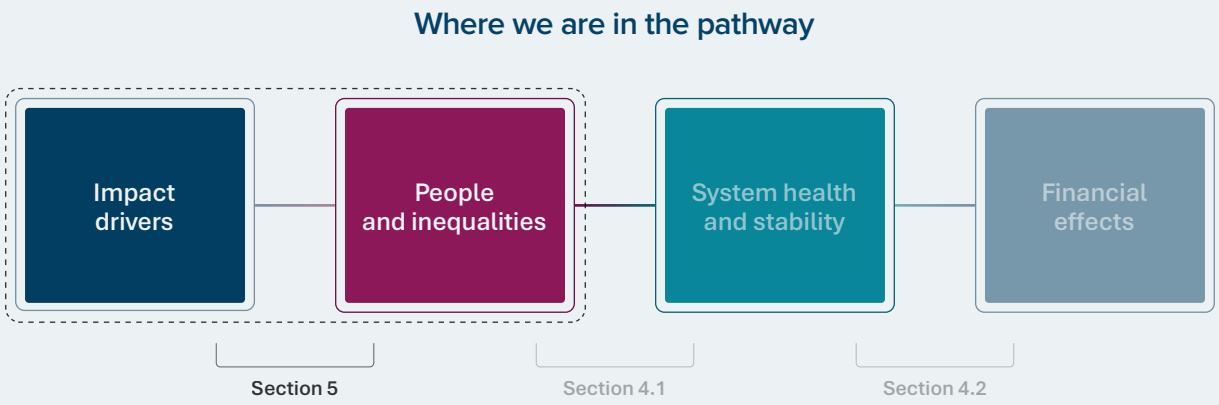
BOX 4.2A — DIFFERENCES IN EXPOSURE TO SYSTEM-LEVEL RISK ACROSS INVESTOR AND INVESTMENT TYPES

Exposure to system-level risks varies with the nature of the investor, and individual businesses and investors can sometimes benefit from the imposition of externalities to society for short-term gains. A number of factors shape investors' exposure to the health and stability of these systems:

- **Degree of diversification.** The more diversified the investor, the larger the share of returns determined by market-wide outcomes, and the greater the exposure to system-level risk. Diversified index funds, multi-asset pension portfolios and large insurance balance sheets are more exposed than investors who rely on concentrated active strategies and investments in individual holdings.
- **Investment horizons.** Long-horizon investors internalise more of the cumulative effects on growth, productivity and crisis frequency. Some of the risks described above may take time to materialise. Short-horizon investors may benefit transitorily from the dynamics that build long-term risk.
- **Asset class.** Exposure is likely to differ by asset class. For example, listed equity may react quickly to unrest and to market-wide repricing, which is hard to diversify away. Sovereign debt is exposed through fiscal capacity, and corporate credit through both operational disruption and default risk.
- **Geographic exposure.** Advanced economies have seen long-term constraints in productivity growth that are at least in part attributable to the systematic dynamics described in this paper. The financial effects of unrest are potentially larger in emerging markets and where institutions are weaker, but these risks may still carry over onto other systems, whether financial, economic or societal. As inequalities rise in advanced economies and go hand in hand with structural economic changes produced by AI, advanced economies may become increasingly exposed to these types of risks as well.

Section 5

How businesses and financial institutions shape inequalities and system health and stability



> “ No snowflake in an avalanche ever feels responsible. ”
>
> Stanisław Jerzy Lec,
> More Unkempt Thoughts, 1968

The private sector is a major engine of human progress, but business and financial sector activities also play a role in the emergence of inequalities. The G20 Extraordinary Committee's report highlighted that between 2019 and 2024, average CEO pay across a range of countries rose by half, while average worker pay rose by less than 1 percent.[183] Meanwhile, profit shifting to tax havens costs governments the equivalent of nearly 10 percent of global corporate tax revenue every year[184], shrinking the public resources available for the education, health and social protection on which people with the fewest resources depend most.

This section describes how business and finance activities affect people and how their cumulative effects can shape inequalities and, in turn, societal stability, macroeconomic health and financial stability. It distinguishes between two related terms. **Determinants** of inequalities refer to the broad structural, economic, social and political forces that shape inequalities (Section 5.2). **Drivers**, the term used in the TISFD Framework's conceptual foundations, refer to the specific business and finance activities through which companies and investors affect people. Drawing on widely recognised determinants, it identifies a number of key private sector drivers of inequalities. It concludes with illustrative pathways showing how these activities, through their cumulative effects, can contribute to inequalities, affect societal stability, macroeconomic health and financial stability, and ultimately financial returns.

5.1 Business impacts on people's rights, well-being and inequalities

Businesses and financial institutions affect people, both positively and negatively, throughout their interactions with workers, communities, consumers and society as a whole. Pay practices and working conditions affect workers; product design, pricing and marketing have impacts on consumers and end-users; sourcing terms and supplier relationships affect workers and communities across the value chain; and tax conduct and engagement with policymakers have impacts on society as a whole.

The TISFD Framework refers to these activities, together with their inputs and outputs, as drivers of impacts on people and inequalities. Figure 5.1a sets out these impact drivers as described in the Framework's conceptual foundations and Box 5.1a shows how AI cuts across them, reshaping many existing business activities and their impact on people.

Figure 5.1a | TISFD typology of impact drivers

Drivers of impacts in own operations		Drivers of impacts in the value chain		Drivers of impacts in society
Hiring, promotion and dismissal	Wages, compensation and benefits	Procurement and business relationships	Capital allocation and structuring	Tax payments and subsidies
Working conditions and culture	Training and skills development	Stewardship and engagement	Sales and pricing	Lobbying and advocacy
Use of technology and data	Physical presence, land and resource use	Marketing and labelling	Product design and development	Bribery and corruption
Philanthropy and community investment	Stakeholder engagement	Research and development	Stakeholder engagement	Anti-competitive practices

Note: Annex I provides a more granular typology developed for this discussion paper. It draws on an extensive mapping of existing international standards, disclosure frameworks and benchmarking initiatives, as well as stakeholder feedback.

In most cases, these impact drivers first and foremost affect the human rights and well-being of business stakeholders, such as workers, communities, consumers and end-users. Their wider consequences, including inequalities between people, often become visible only when looking beyond the individual entity at the cumulative impacts of businesses and financial institutions. Three lenses help understand how the effects of a given driver can accumulate and intensify until they become visible at system-level:

- **Scope:** The wider a driver and its impacts extend across populations, sectors and geographies, the more likely the effects are to register at system-level rather than remain confined to those directly affected.
- **Interaction with other drivers:** A driver can trigger or reinforce other drivers, creating feedback loops in which the effects of one become inputs that amplify another.
- **Cascading effects:** Effects matter more when they cascade into other areas of people's lives, such as when income affects access to housing or health care, and when they are passed on between individuals or groups of people, such as within a family or in a community.

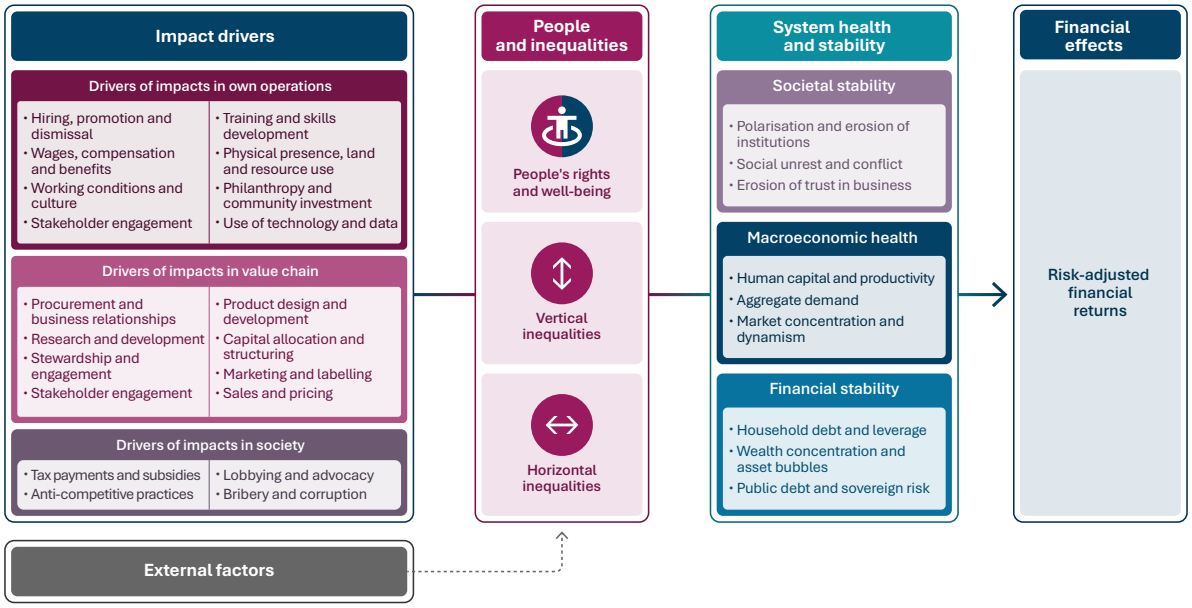
The gender wage gap is an example of an impact driver that is very wide in **scope**. Across the world, women systematically earn less than men (on average, 18 percent), and as such affects women as a group in virtually all countries. [185]

An impact driver that significantly interacts with other drivers is business' engagement (or the lack of) with workers through social dialogue and collective bargaining. The absence of meaningful engagement in these processes, or active efforts to undermine the rights to freedom of association and collective bargaining, has repercussions for a range of other labour rights, such as access to social protection and benefits, adequate wages and safe and healthy working conditions, each with their own specific impacts on workers' well-being.

Inadequate wages are also wide in scope and can have cascading impacts. According to the ILO, one in five wage employees worldwide earns at or below the minimum wage, which in many countries falls short of a living wage. [186] Households on low and insecure wages face cascading impacts, limiting access to adequate housing, health care and education for the worker and their family, creating disadvantages that can pass from one generation to the next.

Figure 5.1b shows how the cumulative impacts of business and financial sector activities can exacerbate inequalities and, in turn, affect the health and stability of systems. The three lenses help explain how these effects build up. Section 5.3 applies them to a selection of key drivers identified in Section 5.2, tracing their pathways to the health and stability of systems and the potential financial effects.

Figure 5.1b | Drivers of impacts can accumulate to affect the health and stability of systems



BOX 5.1A — HOW ARTIFICIAL INTELLIGENCE RESHAPES IMPACT DRIVERS

Artificial Intelligence is reshaping a wide range of existing business activities. In doing so, it can amplify impacts on people and inequalities and influence the health and stability of systems. The examples below illustrate how AI interacts with existing drivers.

GOVERNANCE

Boards and management play a critical role in determining how AI is developed and used, yet board-level oversight of AI remains rare.[187] Without AI literacy or information on impacts on people, oversight may miss harms such as unsafe outputs, discrimination, or worsening working conditions, while pressure to adopt quickly can lead to underinvestment in safeguards.[188]

DRIVERS OF IMPACTS IN OWN OPERATIONS	
Hiring, promotion and dismissal	Automation has strong job displacement potential.[189] Automated screening and monitoring can carry bias into recruitment, career progression and dismissals.[190]
Wages, compensation and benefits	AI may result in differential effects on wages across workers. Wages may rise where firms share AI productivity gains with (a subset of) workers, or stagnate.
Working conditions and culture	Algorithmic management and workforce surveillance reshape autonomy, intensity, predictability and workplace well-being.[191]
Training and skills development	Access to reskilling and training in AI-related skills determines which workers remain employable and benefit from AI and which are left behind.[192]
Use of technology and data	Workforce monitoring and algorithmic management increasingly capture workers' activity, outputs and data, which are being used to train AI systems.[193]
Physical presence, land and resource use	Data centres needed to develop and run AI require large-scale land acquisition and heavy use of electricity and water.[194]
DRIVERS OF IMPACTS IN THE VALUE CHAIN	
Procurement and business relationships	Automated procurement can push down supplier prices, adding pressures on workers in the value chain.[195] Technology companies also rely on outsourced workers who label training data and monitor content, often in lower-income countries and involving exposure to harmful content.[196]
Capital allocation and structuring	Investors are directing capital to a small number of AI firms and countries, concentrating the ownership of AI and its returns among those who already hold the most wealth, and widening gaps between countries.[197]
Sales and pricing	Personalised algorithmic pricing may raise prices for vulnerable consumers, such as those with limited digital skills.[198] Pricing choices shape who can access the most capable AI tools. In consumer lending, credit models can exclude groups denied in the past[199], although algorithmic lending can also reduce forms of discrimination.[200]
Product design and development	Product design choices shape how AI affects users. Optimising for engagement can amplify polarising content, foster dependence and validate users' views regardless of accuracy, while tools that give ready-made answers can undermine learning.[201]
Research and development	AI can accelerate research in domains such as health and agriculture, but the data that AI models are trained from determines whose perspectives AI reflects and serves best.[202]
DRIVERS OF IMPACTS IN SOCIETY	
Lobbying and advocacy	Lobbying and political influence in relation to AI shape the protection of people's rights, the safety of AI products, and the policy response to AI-driven inequalities.
Anti-competitive practices	The concentration of models, chips, data and cloud infrastructure in a few firms shapes access to AI and how its returns are distributed.[203]

5.2 Identifying key private sector drivers of inequalities

As this paper has described, there is increasing evidence linking inequalities to societal instability, macroeconomic health and vulnerabilities in the financial system and of financial effects for businesses and financial institutions. Understanding which drivers matter most for inequality is central to understanding how business and financial institutions themselves influence the emergence of system-level risks. Drawing on widely recognised determinants of inequalities, the following section identifies a number of key private sector drivers.

5.2.1. Structural, economic, social and political determinants of inequalities

Inequalities are multi-faceted and context-specific, and they result from the actions of different actors over time. Their determinants are therefore not straightforward to disentangle, and no single existing framework offers a complete picture of how business and finance activity relates to inequality.

Existing research on the determinants of inequality has tended to develop in separate strands, each approaching the question with different lenses and emphases. Some frameworks focus on income inequalities, others take a more multi-dimensional view of inequalities, but focus on, for example, inequalities between countries rather than within them. Many reports focus on the role of public policy, sometimes leaving the role of the private sector insufficiently examined.

Taken together, existing frameworks provide a starting point from which to identify key private sector drivers of inequality. Drawing on leading international reports on the determinants of inequality (see Box 5.2a), this section begins by examining the structural, economic, social and political forces that shape vertical, horizontal and between country inequalities (see Figure 5.2a).

BOX 5.2A — KEY REFERENCES ON THE DETERMINANTS OF INEQUALITIES

This section draws on a selection of key reports by international institutions and academic studies on the determinants of inequalities, published between 2011 and 2025. These differ in their level of analysis and in the types of inequality they examine. The most recent, the G20 Extraordinary Committee's Report, recommends the creation of an International Panel on Inequality (IPI) modelled on the IPCC, to bring together existing research and provide regular, independent assessments of inequality, including its drivers.

- **G20 Extraordinary Committee of Independent Experts on Global Inequality (2025), *G20 Global Inequality Report*** [204]. This expert report identifies historical, economic and political drivers, from colonial extraction and land concentration to monopoly power, labour market deregulation and elite capture as causes of inequality.
- **ILO (2021) *Inequalities and the World of Work*** [205]. This report identifies six areas through which the world of work shapes inequality: unequal distribution of work and labour income, gender inequality and discrimination, informality, productivity gaps between enterprises, gaps in social protection, and contractual arrangements.
- **Oxfam (2020), *Global Drivers of Inequalities*** [206]. This conceptual framework takes a multidimensional view of inequality and sets out ten global drivers, including discrimination, financialisation, corporate power, tax governance, trade and climate change.

Box continues on the next page

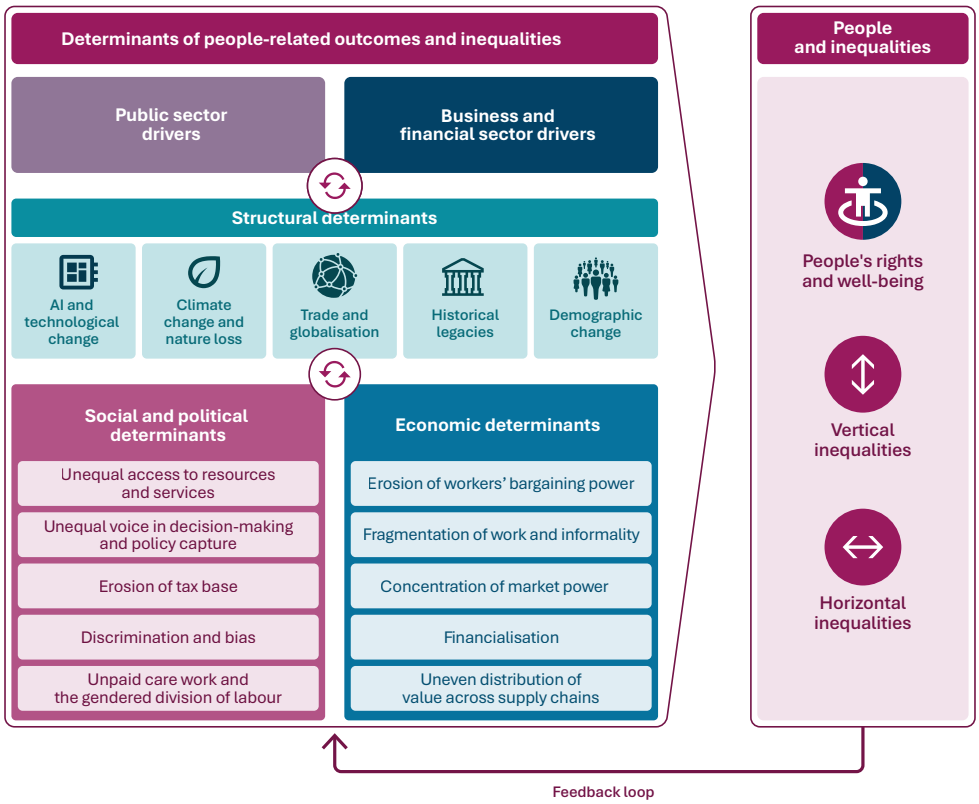
Continuation of Box 5.2a

- **UN DESA (2020)** ***World Social Report 2020: Inequality in a Rapidly Changing World*** [207]. Drawing on data on inequality trends and country examples, this report analyses how technological change, climate change, urbanisation, and international migration affect inequality.
- **IMF (2015),** ***Causes and Consequences of Income Inequality: A Global Perspective*** [208]. This Staff Discussion Note identifies technological change, globalisation, financial deepening, labour market institutions and redistributive policies as the main drivers of income inequality.
- **UNDP (2013),** ***Humanity Divided: Confronting Inequality in Developing Countries*** [209]. This report attributes inequality to a range of factors, including globalisation, technological change, domestic economic and social policies, governance, social norms and discrimination.
- **OECD (2011),** ***Divided We Stand: Why Inequality Keeps Rising*** [210]. This report examines the roles of globalisation, technological change, labour market reforms, household structures and changes in redistribution in rising earnings inequalities.

A forthcoming OECD working paper examines the role of investors in shaping earnings inequality. Its early findings have also informed this analysis [211]. As the paper had not been published at the time of writing, it is not listed in the tables below.

The determinants of inequalities can be grouped into three broad categories: **structural, economic** and **social and political** determinants. For each of these categories, Tables 5.2a-c summarise how the various determinants relate to inequalities, indicate whether each primarily affects vertical, horizontal or between-country inequalities, and list those key references that identify it as a determinant of inequality. These summaries provide only a partial glimpse into the dynamics underlying each of these determinants.

Figure 5.2a | Determinants of inequalities



Structural determinants refer to the broad, often long-term forces that set the context in which all actors operate. The literature reviewed consistently points to five of them: AI and technological change, climate change and nature loss, trade and globalisation, historical legacies and demographic change. While no single actor controls them, business and financial activity can amplify or soften their effects on people and related inequalities.

TABLE 5.2A — STRUCTURAL DETERMINANTS OF INEQUALITIES

DETERMINANT	HOW IT RELATES TO INEQUALITIES	V	H	BC	REFERENCES
STRUCTURAL DETERMINANTS					
AI and technological change	Over recent decades, automation and digital technologies have polarised labour markets, displacing routine middle-skill jobs, raising the skills premium, and shifting income towards those who own technology, data and computing power, further reinforcing market concentration. AI is accelerating these dynamics.	●	●	●	G20, IMF, OECD, Oxfam, UN DESA, UNDP
Climate change and nature loss	Climate change and nature loss are already hitting hardest those who are most exposed and least able to recover and adapt, such as low-income households, women, Indigenous Peoples and communities that depend directly on natural resources. Global warming has already left GDP per capita in the poorest countries 17–31 percent lower than it would otherwise be. [212]	●	●	●	G20, Oxfam, UN DESA
Trade and globalisation	Over the past decades, offshoring and international capital flows have redistributed high- and low-skill jobs across countries, bringing income and jobs to many emerging economies. While this has supported growth and rising incomes in a number of emerging economies, its benefits have been unevenly shared. They have favoured owners of assets and highly skilled workers, while lower-skilled workers, in particular in import-competing sectors of advanced economies, and the regions that depend on them, have borne costs in terms of stagnation or relative decline.	●		●	G20, IMF, OECD, Oxfam, UNDP
Historical legacies	Colonial extraction and slavery have left lasting effects on how physical, financial and other assets (including land) are distributed, both within and between countries. Extractive economic structures and disadvantage passed down through generations continue to shape who holds resources and opportunities today.	●	●	●	G20, UNDP
Demographic change	International migration has grown steadily, raising migrants' earnings and generating remittance flows that help reduce inequalities between countries. However, migrants continue to face lower pay, insecure contracts and limited access to social protection in destination countries, widening gaps with native-born workers. Rapid urbanisation has concentrated opportunity and deprivation, widening gaps between rich and poor residents and between urban and rural areas, particularly in access to housing and services.	●	●	●	OECD, Oxfam, UN DESA

Note: V = vertical, **H** = horizontal, **BC** = between-country inequalities

Economic determinants relate to how economies and markets function, and in particular how income, value and risk are distributed between workers, firms, owners of capital and countries. Five economic determinants recur across the institutional and academic sources reviewed: the erosion of workers' bargaining power, the fragmentation of work and informality, the concentration of market power, financialisation, and the uneven distribution of value across supply chains.

TABLE 5.2B — ECONOMIC DETERMINANTS OF INEQUALITIES

DETERMINANT	HOW IT RELATES TO INEQUALITIES	V	H	BC	REFERENCES
ECONOMIC DETERMINANTS					
Erosion of workers' bargaining power	Over recent decades, union membership and collective bargaining coverage have declined in many countries, and labour market institutions have weakened, reducing workers' bargaining power. This has contributed to a falling share of income for labour, rising wage inequality and the decoupling of wages from productivity.	●			G20, IMF, ILO, OECD, Oxfam
Fragmentation of work and informality	A growing share of work is organised outside stable, direct employment relationships, through outsourcing, subcontracting and platform work, while informal employment remains widespread. These arrangements shift risks from firms onto workers, resulting in weaker social protection, more volatile incomes, and less investment in workers. Because they are concentrated in lower-paid segments of the labour market, they widen income inequality. Some groups, such as young workers, are also overrepresented in these forms of work, so their effects fall unevenly across groups.	●	●		ILO, IMF, OECD, Oxfam
Concentration of market power	Market concentration has increased in many sectors and countries. Dominant firms have been able to raise prices and margins at the expense of consumers (monopoly power), and as dominant buyers to hold down wages and the prices paid to suppliers (monopsony power). The gains flow mainly to owners and top executives, widening gaps between and within firms. As dominant firms are mostly based in high-income countries, their control of technology and supply chains also shifts value from lower- to higher-income countries.	●		●	G20, Oxfam
Financialisation	The growing size and influence of the financial sector, in part enabled by deregulation, has increased pressure for short-term returns and reinforced shareholder primacy. This has favoured shareholder payouts, such as dividends and share buybacks, over wages and productive investment, shifting income from labour towards capital and top earners, and inflating asset values. It has also exposed developing countries to volatility and debt crises, and drawn money from lower- to higher-income countries.	●		●	G20, IMF, Oxfam
Uneven distribution of value across supply chains	Many lower-income countries remain locked into low value-added activities in global supply chains. Power imbalances between large buyers, often based in high-income countries, and their suppliers concentrate value at the top of the chain and push costs and risks down to suppliers and their workers.	●		●	Oxfam

Note: V = vertical, **H** = horizontal, **BC** = between-country inequalities

Social and political determinants relate to norms, institutions and power relations that shape access to resources and opportunities, and that influence the laws and policies that shape economies and societies. The sources reviewed highlight five such determinants: unequal access to resources and services, unequal voice in decision-making and policy capture, the erosion of the tax base, discrimination and bias, and unpaid care work and the gendered division of labour. Businesses influence these determinants both through their own practices and through their engagement with policy and public institutions.

TABLE 5.2C — SOCIAL AND POLITICAL DETERMINANTS OF INEQUALITIES

DETERMINANT	HOW IT RELATES TO INEQUALITIES	V	H	BC	REFERENCES
SOCIAL AND POLITICAL DETERMINANTS					
Unequal access to resources and services	The under provision of health care, education and social protection in many countries means people with the fewest resources have fewer opportunities to improve their situation. This allows disadvantage to persist and pass from one generation to the next.	●	●		G20, ILO, IMF, OECD, UN DESA
Unequal voice in decision making and policy capture	Lobbying concentrates influence over decisions, while workers, communities and marginalised groups have little voice in decision-making processes. As a result, laws, policies and economic decisions can favour narrow interests in ways that perpetuate inequality.	●	●		G20, Oxfam, UNDP
Erosion of the tax base	Tax avoidance, financial secrecy, competition between countries to attract mobile capital, and international tax rules that favour some countries over others reduce public revenue, especially in lower-income countries. This leaves fewer resources for the public services and social protection on which people with the fewest resources depend most, while the gains accrue mainly to those who already hold the most wealth.	●		●	Oxfam, G20
Discrimination and bias	Individual bias, social norms and institutional rules continue to disadvantage people because of their gender, race, ethnicity or other characteristics. This limits their access to jobs, fair pay, credit and services, among others.		●		ILO, Oxfam, UNDP
Unpaid care work and the gendered division of labour	Women still do most unpaid care work, while many jobs are designed around workers without care responsibilities. This limits women's pay, careers and pensions, particularly in lower-income households. Paid care work, largely done by women, also remains undervalued.		●		ILO, Oxfam

Note: V = vertical, **H** = horizontal, **BC** = between-country inequalities

5.2.2. Identification of key private sector drivers of inequalities

By mapping TISFD's impact drivers (see Figure 5.1a and Annex I) against the structural, economic, and social and political determinants of inequalities (Tables 5.2a-c), it is possible to identify a number of business and finance activities that may play a key role in relation to inequalities. These key drivers are set out in Table 5.2d, grouped using TISFD's typology of impact drivers.

Some business activities **contribute** directly to a determinant of inequalities. The use of non-standard working arrangements (such as platform-based or temporary workers), for example, deepens the fragmentation of work.

Others **transmit** the effect of a determinant, when external forces, such as trade and technological change, shape business practices in ways that pass on inequalities. For instance, trade and technological change have raised skills premiums and companies' pay practices, which have translated this into wider pay disparities within and between companies. Still other activities can **mitigate** inequalities by cushioning or countering these dynamics; for example, investing in workers' skills can help those whose jobs are affected by technological change.

In practice, many drivers can transmit or mitigate impacts depending on how they are carried out. Procurement and sourcing practices that push down prices without regard for labour standards, for example, can transmit inequalities along the supply chain, while responsible sourcing practices, including fair pricing and purchasing terms that allow suppliers to meet those standards, can counter them. The drivers identified are indicative rather than definitive.

TABLE 5.2D — KEY PRIVATE SECTOR DRIVERS OF INEQUALITIES

DRIVER CATEGORY	KEY DRIVER	LINKED DETERMINANTS OF INEQUALITIES	INEQUALITIES		
			V	H	BC
CONTRIBUTE OR TRANSMIT · BUSINESS PRACTICES THAT CREATE OR DEEPEN INEQUALITY DYNAMICS, OR PASS THEM ON IN THE FORM OF INEQUALITIES					
Hiring, promotion and dismissal	Discrimination in hiring, recruitment and promotion	■ Discrimination and bias ■ AI and technological change ■ Demographic change	●	●	
	Use of non-standard work	■ Fragmentation of work and informality ■ Erosion of workers' bargaining power	●	●	
	Use of forced and child labour	■ Uneven distribution of value across supply chains	●	●	●
	Large-scale dismissals	■ AI and technological change ■ Trade and globalisation	●		●
Wages, compensation and benefits	Wages below a living wage	■ Erosion of workers' bargaining power ■ Uneven distribution of value across supply chains ■ Concentration of market power	●	●	●
	Pay inequity	■ Discrimination and bias ■ Erosion of workers' bargaining power ■ Unpaid care work and gendered division of labour		●	
	Inadequate provision of social protection and benefits	■ Erosion of workers' bargaining power ■ Fragmentation of work and informality ■ Unequal access to resources and services	●	●	
	Pay distribution	■ AI and technological change ■ Trade and globalisation ■ Financialisation ■ Concentration of market power	●		●
Working conditions and culture	Physical working conditions	■ Erosion of workers' bargaining power ■ Discrimination and bias ■ Fragmentation of work and informality	●	●	
	Social working conditions		●	●	
	Working arrangements		●	●	
Physical presence, land and resource use	GHG emissions, natural resource use and pollution	■ Climate change and nature loss		●	●
	Land acquisition and use	■ Unequal voice in decision-making and policy capture ■ Historical legacies		●	●
Stakeholder engagement	Engagement with workers, including social dialogue and collective bargaining	■ Erosion of workers' bargaining power ■ Fragmentation of work and informality	●		

Note: Linked determinants: ■ Structural | ■ Economic | ■ Social and political;
V = vertical, **H** = horizontal, **BC** = between-country inequalities | For the rest of the table: See next page

TABLE 5.2D — KEY PRIVATE SECTOR DRIVERS OF INEQUALITIES

DRIVER CATEGORY	KEY DRIVER	LINKED DETERMINANTS OF INEQUALITIES	INEQUALITIES		
			V	H	BC
CONTRIBUTE OR TRANSMIT · BUSINESS PRACTICES THAT CREATE OR DEEPEN INEQUALITY DYNAMICS, OR PASS THEM ON IN THE FORM OF INEQUALITIES					
Stakeholder engagement	Engagement with affected communities and Indigenous Peoples	■ Unequal voice in decision-making and policy capture		●	●
Capital allocation and structuring	Short-term oriented risk-return evaluation frameworks and benchmarking	■ Financialisation	●		
	Financial engineering to extract short-term value over productive investment	■ Financialisation	●		
Procurement and business relationships	Procurement and sourcing practices	■ Trade and globalisation ■ Uneven distribution of value across supply chains ■ Concentration of market power	●	●	●
Sales and pricing	Pricing	■ Concentration of market power ■ Unequal access to resources and services ■ Discrimination and bias	●	●	●
Tax payments and subsidies	Tax avoidance practices	■ Erosion of the tax base ■ Unequal access to resources and services	●		●
Lobbying and advocacy	Lobbying and political contributions	■ Unequal voice in decision-making and policy capture	●	●	●
Bribery and corruption	Bribery and corruption	■ Unequal voice in decision-making and policy capture ■ Erosion of the tax base	●		●
Anti-competitive practices	Anti-competitive practices	■ Concentration of market power	●		●
MITIGATE · PRACTICES THAT CUSHION OR COUNTER INEQUALITY DYNAMICS					
Hiring, promotion and dismissal	Retraining, redeployment, and income support following dismissal	■ AI and technological change ■ Trade and globalisation	●		●
Training and skills development	Training and skills development	■ AI and technological change ■ Trade and globalisation ■ Demographic change	●		●
Capital allocation and structuring	Catalytic and concessional financing	■ Unequal access to resources and services			●
	Employee and community ownership	■ Financialisation ■ Historical legacies	●	●	

Note: Linked determinants: ■ Structural | ■ Economic | ■ Social and political;
V = vertical, **H** = horizontal, **BC** = between-country inequalities

The key drivers are a selection from the list of impact drivers in Annex I, based on their mapping against the determinants of inequalities (Tables 5.2a–c). For the purpose of this table, some are reworded, for example "Payment of living wages" appears as "Wages below a living wage", to show whether they contribute to, transmit or mitigate the determinants of inequalities.

Three observations stand out from the drivers identified, each illustrating a different way in which business practices shape inequalities.

Labour rights cut across all three dimensions of inequality: the **respect for labour rights**, including through hiring and pay practices, worker engagement and working conditions, is among the most important ways in which business practices shape inequalities.

Freedom of association and collective bargaining give workers the means to negotiate a fair share of the value they help create. Where these rights are weak, restricted or undermined, workers' bargaining power erodes, and wages can settle below what is needed for a decent standard of living. The effects contribute to widening the gap between top and bottom earners; they tend to fall disproportionately on women, migrants and other groups overrepresented in low-wage work; and the negative impacts fall disproportionately in lower-income countries at the base of global supply chains.

Land acquisition and use, such as in extractives, agriculture and energy, shows how business interacts with historical legacies: particularly in **developing and emerging economies**, land rights often reflect colonial dispossession, customary tenure not recognised by formal legal systems, or past discrimination. The communities most affected by land acquisition are often those whose claims are least secure. Where these communities have unequal voice in decision-making, or where policy is shaped by those seeking access to land and resources, acquisition can proceed without the opportunity for affected communities to exert their voice or fair compensation. The resulting loss of livelihoods, assets and cultural ties falls notably on Indigenous Peoples and rural communities, often in countries already at a disadvantage.

Financial engineering transmits financialisation at the level of the firm: practices that extract short-term value at the expense of productive investment such as debt-financed share buybacks, highly leveraged acquisitions, and dividend payouts funded at the expense of innovation or alignment with human and labour rights standards, shift value towards shareholders and senior executives, whose pay is often tied to share prices. Because financial assets are highly concentrated among the wealthiest households, these gains flow mainly to the top of the distribution, while the costs, such as job losses, weaker wage growth, or community impacts tend to fall largely on workers and other stakeholders.

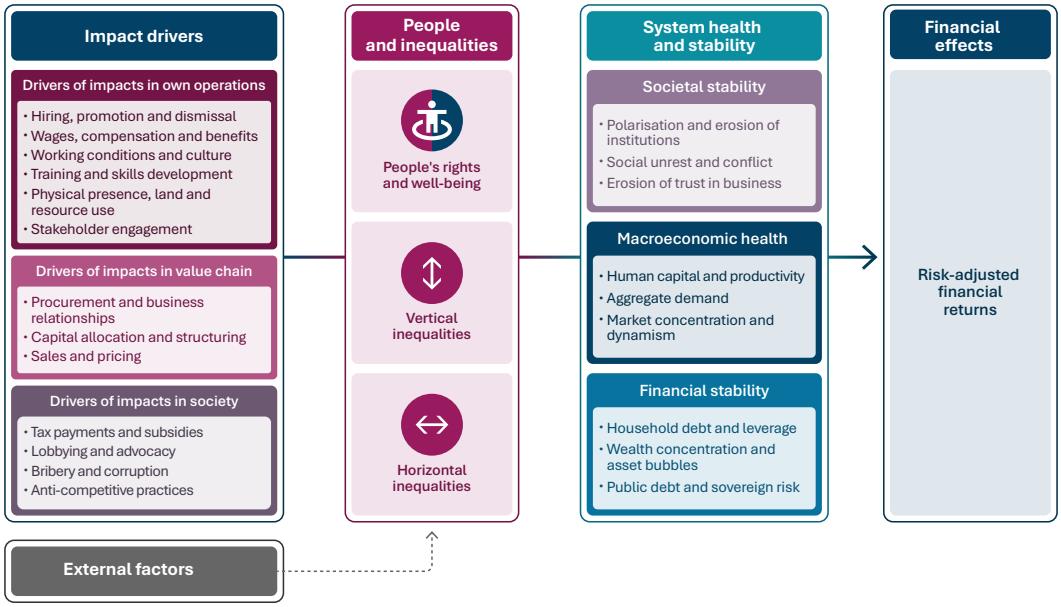
5.3 Pathways from drivers of inequalities to system health and stability

This section brings the above considerations together, illustrating how the drivers of inequalities ultimately link to system health and stability and financial returns. Figure 5.3a illustrates these pathways for the key drivers of inequalities identified in Section 5.2, showing how they can affect people, contribute to inequalities, weaken health and stability and, ultimately affect financial effects.

As set out in Section 4, inequalities that result in part from business impacts on people, have the potential to undermine societal stability, macroeconomic health and financial stability. Because businesses and financial institutions rely on healthy and stable systems, changes to these systems can create real risks. For diversified investors in particular, these risks are largely non-diversifiable: weaker system health and stability affects returns across the portfolio, not necessarily in the companies whose practices may contribute to it.

No single business or financial institution determines these outcomes and inequalities on their own. These pathways operate through the cumulative effect of practices across firms, sectors and economies, and are in part shaped by external forces, including the actions of public actors. This is why understanding the externalities of entities across the economy matters, even where individual impacts may be small.

Figure 5.3a | Key drivers of inequalities and their pathways to system health and stability



These pathways should be read in light of the system dynamics described in Section 3 and the cumulative logic set out in Section 5.1, through the three lenses. Together they help explain why effects of business activities on system health and stability often build up gradually and may sometimes remain hidden for long periods and then surface suddenly.

Many of the effects are systematic and chronic. As a practice extends in scope across companies, sectors and geographies, its effects may add up. Where drivers interact, such as when the absence of social dialogue weakens wages, social protection and working conditions at the same time, their effects reinforce one another and disadvantage compounds over time. As these effects cascade into other areas of people's lives, such as when low wages limit access to housing, health care and education, and pass from one generation to the next, they gradually erode human capital and productivity, often long before the consequences become visible.

Systemic effects can also remain latent until a tipping point is crossed. Households and communities left with fewer buffers build up dissatisfaction or market vulnerability over time. A sudden shock, such as a price spike, a pandemic or a political event, can then rapidly turn these accumulated pressures into a systemic event within a short period. Whether this happens depends in part on societal resilience, which inequalities also tend to erode.

The same pathways can also work in a positive direction, as practices that mitigate inequalities, such as investment in skills or broad-based asset ownership, strengthen resilience and can contribute to positive tipping points. The remainder of this section presents three illustrative pathways tracing how key drivers identified in Section 5.2 affect people, inequalities and system health and stability. Each applies the three lenses introduced in Section 5.1 (scope, interactions with other drivers and cascading effects) to show how a driver's effects can accumulate and amplify. Finally, each pathway outlines the potential financial effects.

Illustrative example 1: Non-standard working arrangements

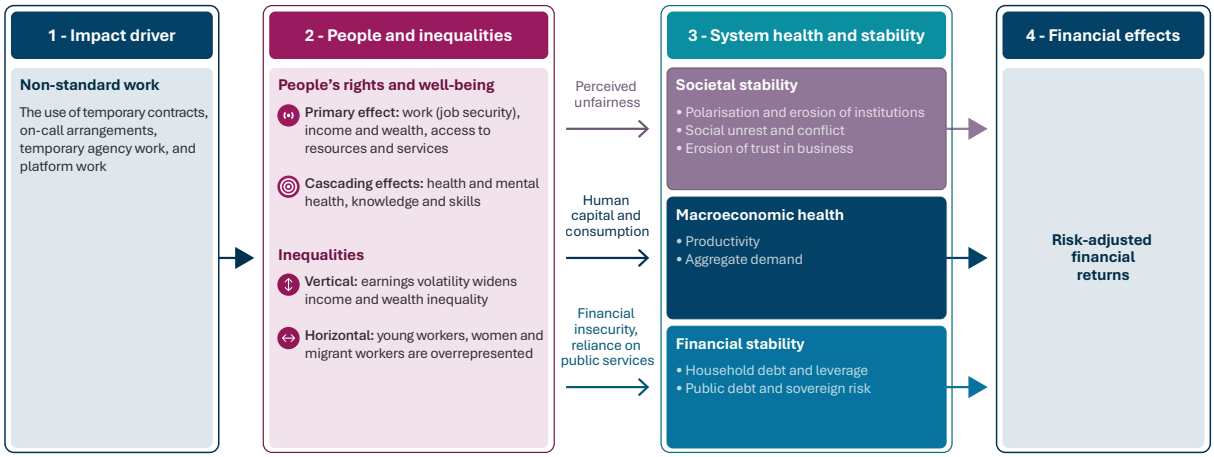
1 — IMPACT DRIVER

The use of temporary contracts, on-call arrangements, temporary agency work, and platform work, where workers are classified as independent contractors but function economically as employees.

Non-standard working arrangements are one of the defining features of the fragmentation of work in which stable, long-term employment relationships have given way to shorter contracts, intermediated arrangements and task-based work.[213] Globalisation and the growth of digital platforms have contributed to accelerate these trends. These arrangements shift risks that employers traditionally bear, such as fluctuations in demand and the costs of illness, onto workers.[214] Because they are concentrated at the lower end of the wage distribution and overrepresent specific groups, non-standard working arrangements widen vertical and horizontal inequalities.[215]

SCOPE	INTERACTION WITH OTHER DRIVERS
→ Across the OECD, around one in ten employees is on a temporary contract[216] → Between 154 million and 435 million online gig workers globally in 2023[217]	→ Weakens workers' bargaining position → Undermines worker wages and compensation → Undermines social protection and benefits

Figure 5.3b | Pathway from non-standard work to people and inequalities and system health and stability



5. How businesses and financial institutions shape inequalities and system health and stability

2 — PEOPLE AND INEQUALITIES

- **Primary effect:** Non-standard working arrangements determine whether workers have **job security** and access to **social protection and benefits**, as well as a stable income.[218] Temporary workers earn, for example, up to 20 percent less than comparable permanent workers[219] and non-standard workers are 40–50 percent less likely to receive any income support during an out-of-work spell.[220]
- **Cascading effects:** Job insecurity has been found to significantly affect people's **physical and mental health**.[221] It also undermines **knowledge and skills** development of workers themselves and their children. Employers invest less in training workers on temporary contracts[222] and lower, less predictable incomes and limited savings make it harder for households to invest in education and training.
- **Links to inequalities:** The burden of non-standard work falls disproportionately on **migrant workers, young workers and women**, widening horizontal inequalities. Non-standard work accounts for a fifth to a quarter of young adult employment, with young women more likely than young men to be in insecure work in almost all regions.[223]

3 — SYSTEM HEALTH AND STABILITY

- **Societal stability:** Job insecurity, financial insecurity and lack of access to resources can undermine people's sense that the economic system in which they operate is working for them, contributing to perceptions of unfairness, undermining **trust in institutions, trust in the market system** and potentially contributing to **polarisation**.
- **Macroeconomic health:** The effects of non-standard work on the skills, health and mental health of workers and their families undermine **human capital formation**, potentially limiting productivity growth. Income volatility may contribute to dynamics where the economy operates with sub-optimal levels of **aggregate demand**.
- **Financial stability:** Financial insecurity may leave households reliant on non-standard working arrangements **vulnerable to financial shocks**. They may turn to high-cost credit or cut essential spending when income falls, and their reduced consumption can amplify downturns. At the same time, non-standard and informal work narrows the base of taxes and social contributions, while increasing demand for social assistance, particularly during crises, which can add pressure on public finances.

4 — FINANCIAL EFFECTS

- Businesses and financial institutions are exposed to resulting risks, such as **operational risk**, associated with the erosion of workforce health and skills, and **market risk**, associated with volatile incomes that weaken consumer demand. Households with volatile incomes are more likely to default, raising **credit risk** for lenders.

Illustrative example 2: Tax payments

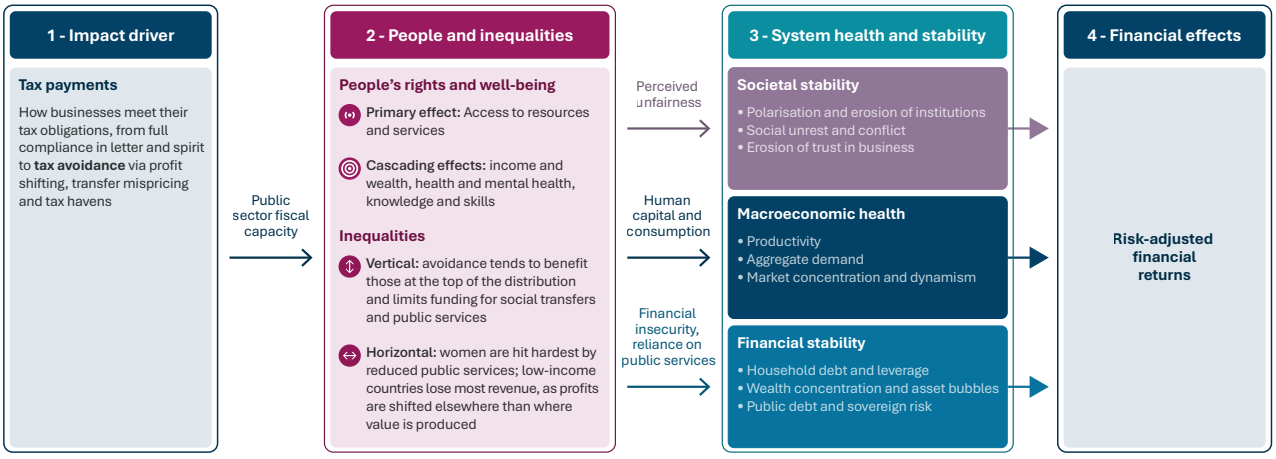
1 — IMPACT DRIVER

Tax practices encompass how businesses meet their tax obligations, ranging from compliance with the letter and spirit of the law to deliberate avoidance strategies such as profit shifting, transfer mispricing and the use of tax havens.

Tax is the mechanism by which private sector activity contributes to the provision of public goods and services, on which people and market actors themselves depend. Where the tax base is eroded, the shortfall falls on public budgets and can constrain the provision of public goods. Profit shifting alone is estimated to reduce corporate tax revenue by nearly 10 percent of the corporate tax collected worldwide, with little sign of decline.[224] Because the losses fall hardest on lower-income countries[225], and the gains accrue mainly to those who already hold the most wealth[226], the erosion of tax bases can widen inequalities both within and between countries. Much of this erosion does not necessarily involve illegal tax evasion. It occurs through tax planning, profit shifting and corporate structuring, shaped by competition between jurisdictions to attract mobile capital and profits. This competition also reflects an underlying asymmetry: capital, profits and corporate activity can relocate, or credibly threaten to relocate, far more readily than most workers. As a result, competition for mobile capital can put downward pressure on effective tax rates. Firms' ability to shift production or sourcing can also weaken workers' bargaining position on wages and working conditions.

SCOPE	INTERACTION WITH OTHER DRIVERS
→ Close to $1 trillion of profit was shifted into tax havens in 2022[227]	→ Undermines social protection and benefits → Weakens public services that can buffer the impact of many other drivers → Contributes to the erosion of workers' bargaining power

Figure 5.3c | Pathway from tax payments to people and inequalities and system health and stability



5. How businesses and financial institutions shape inequalities and system health and stability

2 — PEOPLE AND INEQUALITIES

- **Primary effect:** Tax avoidance reduces the fiscal capacity needed to provide public goods and services, such as **health care, education and social protection**.[228]
- **Cascading effects:** Weaker public provision of health care and education affects people's health and skills directly. It also shifts costs onto households, who must pay more out of pocket, reducing their **disposable income and savings**. Those who cannot afford it may forgo these services altogether, widening gaps in **access to health care and education** between households.
- **Links to inequalities:** The gains of tax avoidance typically accrue to existing asset owners[229] and to executives, whose pay rises while other employees' wages do not.[230] The costs in terms of forgone access to public services affect all people but tend to fall disproportionately on **women**, who rely more on the services cut first.[231] **Lower-income countries**, where losses are highest relative to revenue, are also most affected.[232]

3 — SYSTEM HEALTH AND STABILITY

- **Societal stability:** The sense that large firms do not pay their fair share can undermine people's belief that the economic system is fair, eroding **trust in institutions and markets**. In the US, 62 percent of adults are bothered 'a lot' by the feeling that some corporations don't pay their fair share.[233]
- **Macroeconomic health:** Lower tax revenue constrains public investment in education, health and skills, weakening **human capital and growth**. Shifting one percentage point of GDP from current spending to human capital could raise GDP by around 3 percent by 2050 in advanced economies, and almost twice that in emerging and developing economies.[234]
- **Financial stability:** Lost revenue narrows **fiscal space** and can increase reliance on **external borrowing**, especially in lower-income countries, leaving them more exposed to financial shocks. Illicit capital flight from Africa in 2000–2015 exceeded the continent's entire external debt stock.[235]

4 — FINANCIAL EFFECTS

- Businesses and financial institutions are exposed to resulting risks, such as **chronic operational risk,** for example when lack of investment in public health and education reduces the availability of a skilled workforce, and **acute operational risk**, when perceptions of unfairness translate into social unrest or instability.

Illustrative example 3: Short-term oriented risk-return evaluation frameworks and benchmarking

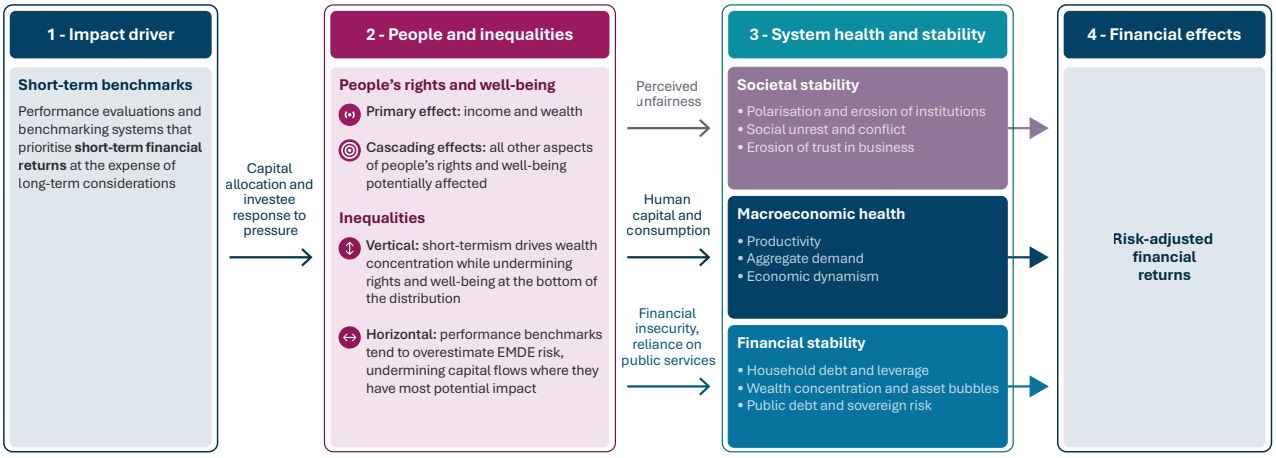
1 — IMPACT DRIVER

Investment performance evaluation frameworks and benchmarking systems used by asset managers, institutional investors and corporate boards that prioritise short-term financial returns at the expense of long-term considerations.

Performance evaluations and benchmarks set the reference against which investments are assessed and so determine which strategies attract and retain capital and the incentives that are passed down to investee companies. Institutional frameworks tend to favour strategies that fit predefined asset class buckets, benchmarks, and peer comparisons and rely on historical prices, volatility, and standardised assumptions as their primary signals of risk and return. [236] Performance is often judged over short periods, such as quarterly or annual reviews. As a result, investments that pay off over longer horizons, such as investments in people, innovation, undercapitalised areas of the market, or productive capital appear riskier and less attractive. [237] Indirectly, these incentive structures have a wide range of impacts, from employment quality, to housing affordability, to economic dynamism, with impacts borne unevenly by workers, communities, and the public sector.

SCOPE	INTERACTION WITH OTHER DRIVERS
→ Wherever institutional capital is allocated and performance assessed, so the reach is very broad, although the mechanism is indirect.	→ Rewards financial engineering of returns → Incentivises practices that may undermine the rights and well-being of workers, communities and consumers

Figure 5.3d | Pathway from short-term benchmarks to people and inequalities and system health and stability



5. How businesses and financial institutions shape inequalities and system health and stability

2 — PEOPLE AND INEQUALITIES

- **Primary effect:** Short-term benchmarks reward distributions to shareholders over reinvestment, shifting **income and wealth** towards investors while cost pressures hold down wages.
- **Cascading effects:** Short assessment windows discourage spending that pays back over time, such as good **working conditions and training** for workers, undermining their rights and well-being, and can limit consumers' **access to services**, such as health care, when serving a certain population is not attractive for short-term results.
- **Links to inequalities:** Because benchmarks favour **distributions to shareholders**, benefits accrue to those who already own financial assets, while living standards at the bottom come under pressure, widening **vertical inequalities**. By overstating risk in emerging and developing economies, benchmarks also steer capital towards advanced economies, widening **between-country inequalities**.

3 — SYSTEM HEALTH AND STABILITY

- **Societal stability:** By widening the gap between owners of financial assets and those without, and rewarding practices that undermine the rights of workers, communities and consumers, short-term benchmarks fuel **perceptions of unfairness** and as such undermine societal stability.
- **Macroeconomic health:** Short-term investment horizons tend to divert resources away from investments in people's skills and well-being, weighing on human capital and **productivity**.
- **Financial stability:** Uniform benchmarks encourage correlated investment positions [238], and leverage taken on to meet return targets can **transmit financial distress** when conditions turn, as when leveraged liability-driven investment funds were forced to sell UK government bonds in 2022. [239]

4 — FINANCIAL EFFECTS

- Businesses and financial institutions are exposed to resulting risks, such as **market risk**, when underinvestment in people, innovation and productive capacity weakens long-term economic dynamism. By overstating risk in SMEs and emerging and developing economies, short-term benchmarks can also lead investors to **miss investment opportunities**.

6. Areas for future work

High and persistent inequalities increasingly affect the health and stability of economies and societies, with implications for businesses and investors. Yet market actors typically do not have a full understanding of the pathways through which these effects arise. This discussion paper is a first step towards building that understanding. Building on TISFD's Conceptual Foundations and the TISFD Framework (Beta Version 0.1), it brings together evidence, primarily from international institutions and academia, on how the impacts of businesses and financial institutions on people and inequalities accumulate, how these effects accrue across societal, macroeconomic and financial systems, and how changes in the health of these systems flow back to businesses and investors.

In particular, this paper points to a chain of effects. Individually, businesses and financial institutions affect the rights and well-being of their stakeholders, such as workers, communities and consumers. The wider consequences become visible when looking at the cumulative effects of practices such as wage setting, sourcing, tax conduct and financial engineering, which together shape inequalities. These inequalities, in turn, affect the health and stability of societal, economic and financial systems: High and rising inequality is associated with social unrest, eroding trust and institutions, weaker and less durable growth, and the build-up of financial vulnerabilities, dynamics that climate change and AI are likely to amplify. These effects ultimately carry real financial consequences for businesses and financial institutions, while addressing inequalities presents an opportunity. Because the resulting risks are largely non-diversifiable, they weigh most heavily on diversified, long-term investors.

While this paper provides indicative evidence about the relationship between inequality, system health and stability, and financial effects, it also raises questions. Three areas of future work stand out.

- **How these relationships vary across contexts.** How inequality translates into societal instability, weaker macroeconomic health and financial vulnerabilities differs markedly between advanced, emerging and developing economies, yet most of the literature focuses on advanced economies. TISFD intends to examine these differences in more depth through its planned programme of research with partners and experts across geographies.

- **The impact of AI and climate change and nature loss.** These rapidly evolving developments are likely to amplify the relationships described in this paper, but can also create opportunities, depending on how their gains and costs are shared. As the evidence is still emerging and changing quickly, TISFD will continue to monitor it and integrate new insights into its understanding of system-level risks and opportunities.

- **Gaps in the evidence base.** Gaps remain at each step of the four-stage pathway, which TISFD intends to address through its planned programme of research, in collaboration with several partners. A key area for further work concerns financial materiality: how changes in system health and stability translate into the returns of individual businesses and long-term portfolios. The evidence presented in this paper points to these links and further research will be done to strengthen and quantify them. In addition, the evidence does not allow a comparison of the extent to which different drivers are responsible for inequalities and their effects on system health and stability. Evidence on the opportunity side is also limited: studies show that firms benefitting from stable, cohesive environments exist but tend to focus on specific countries or sectors. Finally, improved and authoritative forecasts of inequality are needed, including for scenario analysis, to better understand how inequalities and related system-level risks may evolve in the future.

Annex I: Drivers of impacts on people and inequalities

This annex presents a more granular typology of the impact drivers described in the Conceptual Foundations of the TISFD Framework. Impact drivers are the inputs (such as the use of labour), activities and business relationships (such as hiring and procurement decisions) and the product and non-product outputs (such as wages paid) through which businesses affect people and contribute to inequalities. The typology draws on an extensive mapping of existing international standards, disclosure frameworks and benchmarking initiatives, as well as stakeholder feedback.

DRIVERS OF IMPACTS IN OWN OPERATIONS
HIRING, PROMOTION AND DISMISSAL
HIRING AND PROMOTION • Discrimination in hiring and recruitment • Discrimination in promotion • Hiring and career development support to vulnerable groups
TERMS OF WORK • Use of non-standard work • Use of forced and child labour
JOB CREATION, TRANSFORMATION AND DISMISSAL • Job creation • Large-scale dismissals • Retraining, redeployment, and income support following dismissal
STAKEHOLDER ENGAGEMENT
WORKER ENGAGEMENT • Participation in social dialogue and collective bargaining • Anti-union practices and retaliation • Worker representation in decision-making processes
COMMUNITY ENGAGEMENT • Engagement with affected communities and Indigenous Peoples • Solicitation of free, prior and informed consent
GRIEVANCE, COMPLAINT AND WHISTLEBLOWING MECHANISMS • Grievance mechanisms • Treatment of whistleblowers • Customer feedback and complaint mechanisms for end-users
WAGES, COMPENSATION AND BENEFITS
WAGES AND COMPENSATION • Payment of living wages • Pay equity • Pay distribution
SOCIAL PROTECTION AND BENEFITS • Provision of social protection • Provision of other benefits
PERFORMANCE INCENTIVES • Business performance-linked incentives • Sustainability-linked performance incentives

Annex I: Drivers of impacts on people and inequalities

DRIVERS OF IMPACTS IN OWN OPERATIONS

WORKING CONDITIONS AND CULTURE

PHYSICAL WORKING CONDITIONS
- Exposure to physical health and safety hazards

SOCIAL WORKING CONDITIONS
- Exposure to violence, sexual exploitation, abuse and harassment
- Management practices and working culture

WORKING ARRANGEMENTS
- Working hours
- Speed and intensity
- Flexible working arrangements

PHYSICAL PRESENCE, LAND AND RESOURCE USE

PHYSICAL PRESENCE
- Accidents and infrastructure failures
- Use of security forces

LAND ACQUISITION, LAND USE AND NATURAL RESOURCE USE
- Land acquisition
- Land use
- Natural resource use
- Air, water and soil pollution
- GHG emissions

USE OF TECHNOLOGY AND DATA

- Algorithmic management
- Workforce surveillance
- Use of data

TRAINING AND SKILLS DEVELOPMENT

- Formal training
- On-the-job learning opportunities

PHILANTHROPY AND COMMUNITY INVESTMENT

- Philanthropy
- Community investment

Note: The stakeholder engagement drivers listed under drivers of impacts in own operations may also apply in the value chain, for example in relation to suppliers' workers and affected communities.

DRIVERS OF IMPACTS IN THE VALUE CHAIN

PROCUREMENT AND BUSINESS RELATIONSHIPS

SELECTION OF SUPPLIERS
- Supplier screening
- Procurement from small or minority owned businesses

PROCUREMENT AND SOURCING PRACTICES
- Prices covering responsible business practices and living incomes
- Payment terms, timing and order predictability
- Supplier contract requirements

ENGAGEMENT
- Capacity building with suppliers

Annex I: Drivers of impacts on people and inequalities

DRIVERS OF IMPACTS IN THE VALUE CHAIN
CAPITAL ALLOCATION AND STRUCTURING
ASSET ALLOCATION • Allocation to underserved markets and groups • Short-term oriented risk-return evaluation frameworks and benchmarking • Security selection and pipeline development • Exclusionary investment gatekeeping affecting underserved markets
TERMS OF FINANCING, OWNERSHIP AND PARTICIPATION • Catalytic and concessional financing • Employee and community ownership and participation structures • Financial engineering to extract short-term value over productive investment
STEWARDSHIP AND ENGAGEMENT
ENGAGEMENT • Direct engagement with investees • Participation in collaborative engagement activities
EXERCISING OF SHAREHOLDER RIGHTS • Voting • Filing shareholder resolutions
PRODUCT DESIGN AND DEVELOPMENT
PRODUCT PROVISION • Provision of products that harm when used, misused or overused • Provision of products with socially beneficial qualities
PRODUCT DESIGN AND DEVELOPMENT • Product design with harmful or exclusionary qualities • Use of toxic, hazardous, high-risk or non-sustainable materials • Design for long life, repair, upgrade and reuse
SALES AND PRICING
PRICING • Pricing practices that affect access and affordability, including price discrimination, excessive pricing, poverty premiums and income-sensitive pricing
SALES PRACTICES • Misleading or aggressive sales practices and predatory contracts
MARKETING AND LABELLING
MARKETING PRACTICES • Discriminatory marketing practices • Promotion of harmful products • Inclusive, accessible and culturally sensitive marketing practices
PRODUCT INFORMATION AND LABELLING • Consumer education and guidance • Accuracy and clarity of labelling and claims
RESEARCH AND DEVELOPMENT
• Research with socially beneficial qualities • Terms of access, including patenting, licensing and exclusivity practices

Annex I: Drivers of impacts on people and inequalities

DRIVERS OF IMPACTS IN SOCIETY
TAX PAYMENTS AND SUBSIDIES
• Tax avoidance practices • Tax payment aligned with economic activity • Receipt and use of financial support
LOBBYING AND ADVOCACY
• Lobbying and political contributions • Advocacy and collective action in support of people's rights and well-being
BRIBERY AND CORRUPTION
• Bribery of public officials to secure contracts, licences or permits • Misappropriation of public funds through collusion with government actors • Money laundering through business operations or financial products
ANTI-COMPETITIVE PRACTICES
• Collusive and deceptive practices • Abuse of dominance and market power • Unfair trading practices and market conduct

Annex II: Evidence summary tables

TABLE B.1 — SUMMARY OF EVIDENCE ON THE LINK BETWEEN INEQUALITIES AND SYSTEM HEALTH AND STABILITY

FINDING / EVIDENCE	INEQUALITY TYPE	ASPECT OF SYSTEM AFFECTED	EXAMPLE OF KEY SOURCE
SOCIETAL STABILITY			
Horizontal inequality raises the likelihood of civil-conflict onset, especially where economic and political exclusion coincide.	Horizontal inequality	Social unrest and conflict	Cederman et al. (2011) [240]
Group inequalities raise civil-conflict risk in developing countries, especially when combined with political exclusion of minorities.	Horizontal inequality	Social unrest and conflict	Østby (2008) [241]
Vertical inequality raises the risk of popular rebellions that cut across ethnic lines, suggesting that relative, rather than absolute, well-being is associated with conflict.	Vertical inequality	Social unrest and conflict	Bartusevičius (2014) [242]
Between 1810–2010, in 193 countries, higher multi-dimensional inequality (income, health, land) raised civil-war onset risk; post-1970s rise in income inequality in US doubled risk.	Vertical inequality	Social unrest and conflict	Radatz & Baten (2025) [243]
In rural India, a 10 percent rise in local inequality raises the monthly probability of social unrest by ~6.5 percent	Vertical inequality	Social unrest and conflict	Couttenier et al. (2026) [244]
Economic inequality is one of the strongest predictors of where and when democracy erodes	Vertical inequality	Polarisation and erosion of institutions	Rau & Stokes (2025) [245]
Income inequality is positively and significantly associated with political polarisation (1990–2020).	Vertical inequality	Polarisation and erosion of institutions	Gu & Wang (2022) [246]
Rising income inequality lowers interpersonal and institutional trust in the US and Europe.	Vertical inequality	Polarisation and erosion of institutions	Gould & Hijzen (2016, 2017) [247]
Economic insecurity from localised decline, such as trade-related job losses, shifts voters towards more polarised candidates.	Horizontal inequality (regional)	Polarisation and erosion of institutions	Autor et al. (2020) [248]
MACROECONOMIC HEALTH			
Underinvestment in human capital among lower-income groups is one of the channels through which inequality erodes growth.	Vertical inequality	Human capital and productivity	Cingano (2014) [249]
Higher-income households have a lower marginal propensity to consume; top-concentration suppresses aggregate demand.	Vertical inequality	Aggregate demand	Carroll et al. (2017) [250]
Persistently weak demand partly driven by rising inequality can depress investment and, through it, long-run growth and productivity (secular-stagnation debate).	Vertical inequality	Aggregate demand	Summers (2014) [251]
Global average mark-ups rose from ~10 percent above cost (1980) to ~60 percent (2016), shifting income from labour to profits.	Vertical inequality	Market concentration and dynamism	De Loecker & Eeckhout (2018) [252]
FINANCIAL STABILITY			
Rising top-income shares drive rising household leverage in the rest of the distribution; accounting for most of the 1983–2007 US rise in the bottom 95 percent debt-to-income ratio	Vertical inequality	Household leverage and crisis risk	Kumhof et al. (2015) [253]
A 1 percent rise in the top 1 percent income share raises the household debt-to-GDP ratio.	Vertical inequality	Household leverage and crisis risk	Isojaervi & Jerow (2024) [254]

Annex II: Evidence summary tables

TABLE B.1 — SUMMARY OF EVIDENCE ON THE LINK BETWEEN INEQUALITIES AND SYSTEM HEALTH AND STABILITY

FINDING / EVIDENCE	INEQUALITY TYPE	ASPECT OF SYSTEM AFFECTED	EXAMPLE OF KEY SOURCE
FINANCIAL STABILITY			
Change in the top-1 percent income share is a robust predictor of financial crises, outperforming credit growth alone.	Vertical inequality	Household leverage and crisis risk	Paul (2023) [255]
The relative decline of the middle class compared with top incomes causally drives household credit expansion.	Vertical inequality	Household leverage and crisis risk	Bazillier et al. (2021) [256]
The saving glut of the top 1 percent finances debt and depresses interest rates.	Vertical inequality	Wealth concentration and asset bubbles	Mian et al. (2020) [257]
Top wealth concentration is associated with higher equity valuations relative to GDP.	Vertical inequality	Wealth concentration and asset bubbles	Isojaervi & Jerow (2024) [258]
Historical cross-country analysis suggests that rising top-1 percent wealth shares are a robust predictor of crisis	Vertical inequality	Wealth concentration and asset bubbles	Jakurti (2025) [259]
Inequality raises fiscal pressure (a narrower tax base, less fiscal space) and hence higher sovereign risk	Vertical inequality	Public debt and sovereign risk	Aizenman & Jinjarak (2012) [260]

TABLE B.2 — SUMMARY OF EVIDENCE ON THE LINK BETWEEN SYSTEM HEALTH AND STABILITY AND FINANCIAL EFFECTS

FINDING / EVIDENCE	ASPECT OF THE SYSTEM INVOLVED	EXAMPLE OF KEY SOURCE
SOCIETAL STABILITY		
Global economic impact of violence and conflict cost 10.6 percent of global GDP in 2019	Social unrest and conflict	Institute for Economics & Peace (2020) [261]
An average social unrest episode reduces cumulative abnormal stock returns by ~1.4 percentage points over a two-week window	Social unrest and conflict	Barrett et al. (2021) [262]
A major unrest event is followed by a decline of ~1 percentage points GDP six quarters later	Social unrest and conflict	Hadzi-Vaskov et al. (2023) [263]
Populist governance is associated with 10 percent lower GDP per capita relative to counterfactual after 15 years	Polarisation and erosion of institutions	Funke et al. (2023) [264]
Democratisation results in an increase of ~20 percent GDP-per-capita over 25 years	Polarisation and erosion of institutions	Acemoglu et al. (2019) [265]
MACROECONOMIC HEALTH		
Lower net inequality is robustly associated with faster and more durable growth, operating through human capital and fertility.	Human capital and productivity	Berg et al. (2018) [266]
A 1-point rise in the Gini index costs ~1 percentage point in five-year GDP-per-capita growth for the median country.	Human capital and productivity	Brueckner & Lederman (2018) [267]
Rising inequality in 19 OECD countries (1985-2005) cut cumulative growth by 4.7 percentage points over 1990-2010, primarily through human capital.	Human capital and productivity	Cingano (2014) [268]
Closing gender gaps in labour force participation is estimated to add 9.2 percent to GDP on average in OECD economies by 2060.	Human capital and productivity	OECD (2023) [269]
Closing racial equity gaps in the US in the first 20 years of the century could have benefited U.S. GDP by $16 trillion; closing them could add $5 trillion over five years.	Human capital and productivity	Peterson & Mann (2020) [270]

TABLE B.2 — SUMMARY OF EVIDENCE ON THE LINK BETWEEN SYSTEM HEALTH AND STABILITY AND FINANCIAL EFFECTS		
FINDING / EVIDENCE	**ASPECT OF THE SYSTEM INVOLVED**	**EXAMPLE OF KEY SOURCE**
MACROECONOMIC HEALTH		
The health impacts of outdoor air pollution are estimated to cost ~$6 trillion a year, equivalent to 4.6 percent of GDP.	Human capital and productivity	World Bank (2025) [271]
Burnout-related lost productivity costs businesses worldwide $322 billion every year.	Human capital and productivity	Gallup (2026) [272]
Overweight and obesity are projected to reduce GDP by ~3 percent on average in OECD countries over the next three decades through higher absenteeism and lower productivity.	Human capital and productivity	OECD (2019) [273]
FINANCIAL STABILITY		
US equities fell 50.9 percent during the Global Financial Crisis, the worst of five bear markets since 1973.	Wealth concentration and asset bubbles	Cambridge Associates (2019) [274]
An average banking crisis leads to an output loss of around 10 percent, with little sign of recovery.	Various	Teulings & Zubanov (2014) [275]

Annex III: Acknowledgements

This discussion paper was prepared by the Secretariat of the Taskforce on Inequality and Social-related Financial Disclosures (TISFD), overseen by the TISFD Steering Committee. It builds on TISFD's Conceptual Foundations and draws on desk research and engagement with experts.

This paper was written by Vincent Siegerink (Senior Technical Specialist) and Valerie De Cock (Technical Specialist), under the supervision of Andrea Saldarriaga (TISFD Technical Director) and Simon Rawson (TISFD Executive Director). Richard Hardyment (Senior Technical Advisor) and Jana Mudronova (Senior Technical Specialist) also contributed to the development of the paper.

Publicly available generative AI tools were used to support the development and research phase of this paper. All final text was fully reviewed, edited, and curated by human authors, who hold sole responsibility for the content.

The authors are grateful to the participants of a workshop on this research held in July 2026, whose inputs informed the discussion paper: Yanni Aissaoui-Helcke (Principles for Responsible Investment), Signe Andreasen Lysgaard (Danish Institute for Human Rights), Fernanda Balata (New Economics Foundation), Joanne Bauer (Rights CoLab), Francisco Biber (UNICEF), Hannah Brooke (Capitals Coalition), Craig Churchill (International Labour Organization), Ajay Gambhir (ASRA), Maria Guadalupe (INSEAD - Stone Centre for the Study of Wealth Inequality), Witold Henisz (Wharton School), Anni Isojärvi, Trisha Mani (University of Cambridge – Institute for Sustainability Leadership), Danielle Anne Pamplona (Pontifical Catholic University of Paraná), Paul Rissman (Rights CoLab) and Tom Schraepen (OECD WISE Centre).

We also thank Maria Atuesta (Oxfam America), Noemi Capelli (Council of Europe Development Bank), Raphaële Chappe (The Predistribution Initiative), Sharmeen Contractor (Oxfam America), Madeleine Evans (Generation Investment Management), Marina Leal (Natura), Constance Marchal (AXA Group), Jonathan Milläng (Shift), Dan Osusky (The Shareholder Commons), Richard Samans (WBCSD), Iraz Soyalp (Manulife Investment Management) and Amanda Zillig (ING Bank) for their feedback and inputs on earlier versions of the paper.

Acknowledgement does not imply endorsement of the views expressed in this paper.

References
1 - 22

1 United Nations Global Compact. (2025, April 21). *Increasing respect for labour rights and paying living wages to advance decent work for all.* https://unglobalcompact.org/compactjournal/increasing-respect-labour-rights-and-paying-living-wages-advance-decent-work-all

2 Chancel, L., Gómez-Carrera, R., Moshrif, R., & Piketty, T. (2025). *World inequality report 2026.* World Inequality Lab. https://wir2026.wid.world/

3 Cingano, F. (2014). *Trends in income inequality and its impact on economic growth* (OECD Social, Employment and Migration Working Papers No. 163). OECD Publishing. https://doi.org/10.1787/5jxrjncwxv6j-en

4 Cazzaniga, M., Jaumotte, F., Li, L., Melina, G., Panton, A. J., Pizzinelli, C., Rockall, E. J., & Mendes Tavares, M. (2024). *Gen-AI: Artificial intelligence and the future of work* (IMF Staff Discussion Note SDN/2024/001). International Monetary Fund. https://www.elibrary.imf.org/view/journals/006/2024/001/article-A001-en.xml

5 International Labour Organization. (2019). *Working on a warmer planet: The impact of heat stress on labour productivity and decent work.* https://www.ilo.org/global/publications/books/WCMS_711919/lang--en/index.htm

6 TISFD Framework. Available at: https://www.tisfd.org/downloads

7 G20 Extraordinary Committee of Independent Experts on Global Inequality. (2025). *G20 global inequality report.* https://www.gov.za/sites/default/files/gcis_document/202511/g20-global-inequality-report-full-and-summary.pdf

8 World Economic Forum. (2026). *Global risks report 2026* (21st ed.). https://www.weforum.org/publications/global-risks-report-2026

9 Cazzaniga, M., Jaumotte, F., Li, L., Melina, G., Panton, A. J., Pizzinelli, C., Rockall, E. J., & Mendes Tavares, M. (2024). *Gen-AI: Artificial intelligence and the future of work* (IMF Staff Discussion Note SDN/2024/001). International Monetary Fund. https://www.elibrary.imf.org/view/journals/006/2024/001/article-A001-en.xml

10 Acemoglu, D., & Restrepo, P. (2022). Tasks, automation, and the rise in US wage inequality. *Econometrica*, 90(5), 1973–2016. https://doi.org/10.3982/ECTA19815

11 United Nations Office of the High Commissioner for Human Rights. (2011). *Guiding principles on business and human rights: Implementing the United Nations "Protect, Respect and Remedy" framework* (HR/PUB/11/04). United Nations. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

12 OECD. (2011). *OECD guidelines for multinational enterprises: 2011 edition.* OECD Publishing. https://doi.org/10.1787/9789264115415-en

13 United Nations Department of Economic and Social Affairs. (2025). *World social report 2025: A new policy consensus to accelerate social progress.* United Nations. https://desapublications.un.org/publications/world-social-report-2025-new-policy-consensus-accelerate-social-progress

14 Chancel, L., Gómez-Carrera, R., Moshrif, R., & Piketty, T. (2025). *World inequality report 2026.* World Inequality Lab. https://wir2026.wid.world

15 G20 Extraordinary Committee of Independent Experts on Global Inequality. (2025). *G20 global inequality report: Technical note.* https://thepresidency.gov.za/sites/default/files/2025-11/G20%20Global%20Inequality%20Report%20-%20Technical%20Note.pdf

16 U.S. Bureau of Labor Statistics. (2026, September 15). *Labor share at its lowest level, 52.8 percent, in second quarter 2026. The Economics Daily.* https://www.bls.gov/opub/ted/2026/labor-share-at-its-lowest-level-52-8-percent-in-second-quarter-2026.htm

17 Chancel, L., Gómez-Carrera, R., Moshrif, R., & Piketty, T. (2025). *World inequality report 2026.* World Inequality Lab. https://wir2026.wid.world

18 World Bank. (2024). *Poverty, prosperity, and planet report 2024: Pathways out of the polycrisis.* https://openknowledge.worldbank.org/entities/publication/e789cf0e-816c-41ef-ad3a-471948f374ce

19 Stiglitz, J. E., Abdenur, A. E., Byanyima, W., Ghosh, J., Valodia, I., & Zembe-Mkabile, W. (2026). Why we need an International Panel on Inequality. *Nature, 657*, 345–348. https://doi.org/10.1038/d41586-026-02806-9

20 World Bank. (2024). *The great reversal: Prospects, risks, and policies in International Development Association countries.* https://www.worldbank.org/en/research/publication/prospects-risks-and-policies-in-IDA-countries ; World Bank. (2024). *Poverty, prosperity, and planet report 2024: Pathways out of the polycrisis.*

21 Brunori, P., Ferreira, F. H. G., & Salas-Rojo, P. (2026). Inherited inequality and the distribution of opportunities in the United States, China, India, and South Africa. *Economica, 93*(372), 1300–1335. https://onlinelibrary.wiley.com/doi/10.1111/ecca.70055

22 UN Women & United Nations Department of Economic and Social Affairs. (2026). *Progress on the Sustainable Development Goals: The gender snapshot 2026.* https://www.unwomen.org/en/resources/gender-snapshot

[23] Derenoncourt, E., Kim, C. H., Kuhn, M., & Schularick, M. (2024). Wealth of two nations: The U.S. racial wealth gap, 1860–2020. *The Quarterly Journal of Economics, 139*(2), 693–750. https://doi.org/10.1093/qje/qjad044

[24] Piketty, T., & Saez, E. (2014). Inequality in the long run. *Science, 344*(6186), 838–843. https://doi.org/10.1126/science.1251936

[25] World Bank. (2024). *Business Ready (B-READY) 2024.* https://www.worldbank.org/en/businessready/publications-2024 ; World Bank. (2025). *Business Ready (B-READY) 2025.* https://www.worldbank.org/en/businessready/publications

[26] World Bank. (2026, May). *Inequalities in use of and exposure to artificial intelligence*. Atlas of Global Development 2026. https://data360.worldbank.org/en/atlas/artificial-intelligence/

[27] Acemoglu, D., & Johnson, S. (2023). *Power and progress: Our thousand-year struggle over technology and prosperity.* PublicAffairs.

[28] Independent International Scientific Panel on AI. (2026). *Preliminary report of the Independent International Scientific Panel on AI.* United Nations. https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

[29] Rockall, E. J., Mendes Tavares, M., & Pizzinelli, C. (2025). *AI adoption and inequality* (IMF Working Paper No. 2025/068). International Monetary Fund. https://doi.org/10.5089/9798229006828.001 ; Independent International Scientific Panel on AI. (2026). *Preliminary report of the Independent International Scientific Panel on AI.* United Nations. https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

[30] Barhoumi, K., de Carvalho, F. A., Gorbanyov, M., Kido, Y., Koll, D., Nguyen, A. D. M., Ostojic, D., Shang, B., Tamirisa, N. T., Toms, S., & Zhao, Y. (2026). *Global economic and financial implications of artificial intelligence: Lessons from a scenario-planning exercise* (IMF Note No. 2026/002). International Monetary Fund. https://www.imf.org/-/media/files/publications/imf-notes/2026/english/insea2026002.pdf ; Rockall, E. J., Mendes Tavares, M., & Pizzinelli, C. (2025). *AI adoption and inequality* (IMF Working Paper No. 2025/068). International Monetary Fund. https://doi.org/10.5089/9798229006828.001

[31] Brynjolfsson, E., Chandar, B., & Chen, R. (2026). *Canaries in the coal mine? Six facts about the recent employment effects of artificial intelligence* (Working paper). Stanford Digital Economy Lab. https://digitaleconomy.stanford.edu/publication/canaries-in-the-coal-mine-six-facts-about-the-recent-employment-effects-of-artificial-intelligence/

[32] Rockall, E. J., Mendes Tavares, M., & Pizzinelli, C. (2025). *AI adoption and inequality* (IMF Working Paper No. 2025/068). International Monetary Fund. https://doi.org/10.5089/9798229006828.001

[33] Karger, E., Kuusela, O., Abaluck, J., Bryan, K., Halperin, B., Jones, T., Murphy, C., Trammell, P., Reynolds, M., Mayland, D., Viswanathan, R., Mittal, A., Ceppas de Castro, R., Rosenberg, J., & Tetlock, P. E. (2026). *Forecasting the economic effects of AI* (Working paper). Forecasting Research Institute. https://forecastingresearch.org/research/economic-effects-of-ai

[34] Barhoumi, K., de Carvalho, F. A., Gorbanyov, M., Kido, Y., Koll, D., Nguyen, A. D. M., Ostojic, D., Shang, B., Tamirisa, N. T., Toms, S., & Zhao, Y. (2026). *Global economic and financial implications of artificial intelligence: Lessons from a scenario-planning exercise* (IMF Note No. 2026/002). International Monetary Fund. https://www.imf.org/-/media/files/publications/imf-notes/2026/english/insea2026002.pdf

[35] Cazzaniga, M., Jaumotte, F., Li, L., Melina, G., Panton, A. J., Pizzinelli, C., Rockall, E. J., & Mendes Tavares, M. (2024). *Gen-AI: Artificial intelligence and the future of work* (IMF Staff Discussion Note SDN/2024/001). International Monetary Fund. https://www.elibrary.imf.org/view/journals/006/2024/001/article-A001-en.xml ; United Nations Conference on Trade and Development. (2025). *Technology and innovation report 2025: Inclusive artificial intelligence for development.* https://unctad.org/publication/technology-and-innovation-report-2025

[36] Predistribution Initiative. (2026). *Beyond ghost GDP: Who owns our future? A predistributive blueprint for the AI transition* (Predistribution AI Lab Discussion Paper Series, Part II). https://www.predistributioninitiative.org/research-insights/predistribution-ai-lab-discussion-paper-series---part-ii-beyond-ghost-gdp-who-owns-our-future-a-predistributive-blueprint-for-the-ai-transition

[37] Barhoumi, K., de Carvalho, F. A., Gorbanyov, M., Kido, Y., Koll, D., Nguyen, A. D. M., Ostojic, D., Shang, B., Tamirisa, N. T., Toms, S., & Zhao, Y. (2026). *Global economic and financial implications of artificial intelligence: Lessons from a scenario-planning exercise* (IMF Note No. 2026/002). International Monetary Fund. https://www.imf.org/-/media/files/publications/imf-notes/2026/english/insea2026002.pdf

[38] Independent International Scientific Panel on AI. (2026). *Preliminary report of the Independent International Scientific Panel on AI.* United Nations. https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

[39] United Nations Development Programme. (2025). *The next great divergence: Why AI may widen inequality between countries.* UNDP Regional Bureau for Asia and the Pacific. https://www.undp.org/asia-pacific/next-great-divergence

[40] Cazzaniga, M., Jaumotte, F., Li, L., Melina, G., Panton, A. J., Pizzinelli, C., Rockall, E. J., & Mendes Tavares, M. (2024). *Gen-AI: Artificial intelligence and the future of work* (IMF Staff Discussion Note SDN/2024/001). International Monetary Fund. https://www.elibrary.imf.org/view/journals/006/2024/001/article-A001-en.xml

[41] Lenton, T. M., Armstrong McKay, D. I., Loriani, S., Abrams, J. F., Lade, S. J., Donges, J. F., Milkoreit, M., Powell, T., Smith, S. R., Zimm, C., Buxton, J. E., Bailey, E., Laybourn, L., Ghadiali, A., & Dyke, J. G. (Eds.). (2023). *The global tipping points report 2023.* University of Exeter. https://report-2023.global-tipping-points.org/

[42] Lenton, T. M., Armstrong McKay, D. I., Loriani, S., Abrams, J. F., Lade, S. J., Donges, J. F., Milkoreit, M., Powell, T., Smith, S. R., Zimm, C., Buxton, J. E., Bailey, E., Laybourn, L., Ghadiali, A., & Dyke, J. G. (Eds.). (2023). *The global tipping points report 2023.* University of Exeter. https://report-2023.global-tipping-points.org/

[43] Centola, D., Becker, J., Brackbill, D., & Baronchelli, A. (2018). Experimental evidence for tipping points in social convention. *Science, 360*(6393), 1116–1119. https://doi.org/10.1126/science.aas8827

[44] Stoknes, P. E., Collste, D., Cornell, S. E., Callegari, B., Gaffney, O., Randers, J., & Spittler, N. (2025). The Earth4All scenarios: Human wellbeing on a finite planet towards 2100. *Global Sustainability, 8*, Article e22. https://doi.org/10.1017/sus.2025.10013

[45] G20 Extraordinary Committee of Independent Experts on Global Inequality. (2025). *G20 global inequality report.* https://www.gov.za/sites/default/files/gcis_document/202511/g20-global-inequality-report-full-and-summary.pdf

[46] Wodon, Q. T., & de la Brière, B. (2018). *Unrealized potential: The high cost of gender inequality in earnings* (The Cost of Gender Inequality Notes Series). World Bank. http://documents.worldbank.org/curated/en/172021527258723053/Unrealized-potential-the-high-cost-of-gender-inequality-in-earnings

[47] World Economic Forum. (2025). *Global gender gap report 2025* (Insight Report). https://reports.weforum.org/docs/WEF_GGGR_2025.pdf

[48] World Economic Forum. (2026). *Global risks report 2026* (Insight Report). https://www.weforum.org/publications/global-risks-report-2026

[49] Allianz Commercial. (2026). *Business black swans: The threats companies consider to be most plausible in the next five years.* https://commercial.allianz.com/content/dam/onemarketing/commercial/commercial/reports/commercial-business-black-swans.pdf

[50] OECD. (2026). *OECD survey on drivers of trust in public institutions – 2026 results*. OECD Publishing. https://www.oecd.org/en/publications/oecd-survey-on-drivers-of-trust-in-public-institutions-2026-results_9eb63fec-en.html

[51] United Nations Development Programme. (2022). *Human development report 2021/2022: Uncertain times, unsettled lives: Shaping our future in a transforming world*. https://hdr.undp.org/content/human-development-report-2021-22

[52] United Nations Department of Economic and Social Affairs. (2025). *World social report 2025: A new policy consensus to accelerate social progress.* United Nations. https://desapublications.un.org/publications/world-social-report-2025-new-policy-consensus-accelerate-social-progress

[53] Nord, M., Altman, D., Fernandes, T., Good God, A., & Lindberg, S. I. (2026). *Democracy report 2026: Unraveling the democratic era?* V-Dem Institute. https://www.v-dem.net/documents/75/V-Dem_Institute_Democracy_Report_2026_lowres.pdf

[54] Carnegie Endowment for International Peace. (n.d.). *Global protest tracker* [Data set]. Retrieved October 15, 2026, from https://carnegieendowment.org/features/global-protest-tracker

[55] Radatz, L., & Baten, J. (2025). Measuring multidimensional inequality and its impact on civil war outbreak in 193 countries, 1810–2010. *Review of Income and Wealth, 71*, Article e70016. https://doi.org/10.1111/roiw.70016

[56] Couttenier, M., Laurent-Lucchetti, J., & Vandewalle, L. (2026). Inequality and social unrest in India. *World Development, 205*, Article 107418. https://doi.org/10.1016/j.worlddev.2026.107418

[57] Stewart, F. (Ed.). (2008). *Horizontal inequalities and conflict: Understanding group violence in multiethnic societies.* Palgrave Macmillan; Cederman, L.-E., Weidmann, N. B., & Gleditsch, K. S. (2011). Horizontal inequalities and ethnonationalist civil war: A global comparison. *American Political Science Review, 105*(3), 478–495. https://doi.org/10.1017/S0003055411000207

[58] Scheidel, W. (2017). *The great leveler: Violence and the history of inequality from the Stone Age to the twenty-first century.* Princeton University Press; Turchin, P. (2023). *End times: Elites, counter-elites, and the path of political disintegration.* Penguin Press.

[59] Radatz, L., & Baten, J. (2025). Measuring multidimensional inequality and its impact on civil war outbreak in 193 countries, 1810–2010. *Review of Income and Wealth, 71*, Article e70016. https://doi.org/10.1111/roiw.70016

[60] Scheidel, W. (2017). *The great leveler: Violence and the history of inequality from the Stone Age to the twenty-first century.* Princeton University Press.

[61] Gould, E. D., & Hijzen, A. (2016). *Growing apart, losing trust? The impact of inequality on social capital* (IMF Working Paper WP/16/176). International Monetary Fund. https://www.imf.org/external/pubs/ft/wp/2016/wp16176.pdf

[62] Gidron, N., Adams, J., & Horne, W. (2020). *American affective polarization in comparative perspective.* Cambridge University Press. https://doi.org/10.1017/9781108914123 ; United Nations Department of Economic and Social Affairs. *(2025).* World social report 2025: A new policy consensus to accelerate social progress. United Nations. https://desapublications.un.org/publications/world-social-report-2025-new-policy-consensus-accelerate-social-progress

[63] Gu, Y., & Wang, Z. (2022). Income inequality and global political polarization: The economic origin of political polarization in the world. *Journal of Chinese Political Science, 27*(2), 375–398. https://doi.org/10.1007/s11366-021-09772-1

[64] Rau, E. G., & Stokes, S. C. (2025). Income inequality and the erosion of democracy in the twenty-first century. *Proceedings of the National Academy of Sciences, 122*(1), Article e2422543121. https://doi.org/10.1073/pnas.2422543121

[65] Uslaner, E. M. (2005). *Economic inequality and the quality of government* [Working paper]. SSRN. https://doi.org/10.2139/ssrn.824466

[66] Chong, A., & Gradstein, M. (2007). Inequality and institutions. *The Review of Economics and Statistics, 89*(3), 454–465. https://doi.org/10.1162/rest.89.3.454 ; Gilens, M., & Page, B. I. (2014). Testing theories of American politics: Elites, interest groups, and average citizens. *Perspectives on Politics, 12*(3), 564–581. https://doi.org/10.1017/S1537592714001595

[67] Pizzigati, S. (2012, April 15). *Inequality and infrastructure: The pothole in our political psyche.* Inequality.org. https://inequality.org/research/pothole-political-psyche/

[68] Schechtl, M. (2025). *Rising wealth inequality and democratic backsliding across U.S. states* (Stone Center Working Paper Series No. 111). Stone Center on Socio-Economic Inequality, CUNY Graduate Center. https://stonecenter.gc.cuny.edu/research/rising-wealth-inequality-and-democratic-backsliding-across-us-states

[69] Scheiring, G., Serrano-Alarcón, M., Moise, A., McNamara, C., & Stuckler, D. (2024). The populist backlash against globalization: A meta-analysis of the causal evidence. *British Journal of Political Science, 54*(3), 892–916. https://doi.org/10.1017/S0007123424000024

[70] Rau, E. G., & Stokes, S. C. (2025). Income inequality and the erosion of democracy in the twenty-first century. *Proceedings of the National Academy of Sciences, 122*(1), Article e2422543121. https://doi.org/10.1073/pnas.2422543121

[71] Fetzer, T. (2019). Did austerity cause Brexit? *American Economic Review, 109*(11), 3849–3886. https://doi.org/10.1257/aer.20181164 ; Funke, M., Schularick, M., & Trebesch, C. (2016). Going to extremes: Politics after financial crises, 1870–2014. E*uropean Economic Review, 88*, 227–260. https://doi.org/10.1016/j.euroecorev.2016.03.006

[72] Algan, Y., Blanc, C., & Senik, C. (2025). Trusting others: How unhappiness and social distrust explain populism. In J. F. Helliwell, R. Layard, J. D. Sachs, J.-E. De Neve, L. B. Aknin, & S. Wang (Eds.), *World happiness report 2025* (pp. 193-226). Wellbeing Research Centre, University of Oxford. https://doi.org/10.18724/whr-hhje-y762

[73] Funke, M., Schularick, M., & Trebesch, C. (2023). Populist leaders and the economy. *American Economic Review, 113*(12), 3249–3288. https://doi.org/10.1257/aer.20202045.

The authors refer to these leaders as populist, defined as leaders who divide society into two artificial groups, “the people” and “the elites”, and claim to be the sole representative of the true people. Leaders are classified on the basis of their political strategy and rhetoric, not their economic policies or outcomes, and the classification covers leaders on both the left and the right.

[74] Edelman. (2024). *2024 Edelman Trust Barometer: Global report.* https://www.edelman.com/sites/g/files/aatuss191/files/2024-02/2024%20Edelman%20Trust%20Barometer%20Global%20Report_FINAL.pdf

[75] Edelman. (2020). *2020 Edelman Trust Barometer: Global report.* https://www.edelman.com/sites/g/files/aatuss191/files/2020-01/2020%20Edelman%20Trust%20Barometer%20Global%20Report_LIVE.pdf

[76] Gallup. (2026). *State of the global workplace: 2026 report.* https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

[77] Ellis, L., & Zitner, A. (2025, September 2). Americans lose faith that hard work leads to economic gains, WSJ-NORC poll finds. *The Wall Street Journal.* https://www.wsj.com/economy/wsj-norc-economic-poll-73bce003

[78] Korinek, A., & Suh, D. (2024). *Scenarios for the transition to AGI* (NBER Working Paper No. 32255). National Bureau of Economic Research. https://www.nber.org/papers/w32255 ; Brynjolfsson, E., Agrawal, A., Korinek, A., & Cunningham, T. (2026, July 13). We must act now: A statement on AI's transformation of the economy. Stanford Digital Economy Lab. https://www.wemustactnow.ai

[79] Algan, Y., Guriev, S., Papaioannou, E., & Passari, E. (2017). The European trust crisis and the rise of populism. *Brookings Papers on Economic Activity, 2017*(2), 309–400. https://doi.org/10.1353/eca.2017.0015

[80] Amodei, D. (2026, January). *The adolescence of technology: Confronting and overcoming the risks of powerful AI*. https://darioamodei.com/essay/the-adolescence-of-technology

[81] Prepare for an AI jobs apocalypse. (2026, May 14). *The Economist.* https://www.economist.com/leaders/2026/05/14/prepare-for-an-ai-jobs-apocalypse

[82] Piccardi, T., Saveski, M., Jia, C., Hancock, J. T., Tsai, J. L., & Bernstein, M. S. (2025). Reranking partisan animosity in algorithmic social media feeds alters affective polarization. *Science, 390*(6776), Article eadu5584. https://doi.org/10.1126/science.adu5584

[83] Goldstein, J. A., Chao, J., Grossman, S., Stamos, A., & Tomz, M. (2024). How persuasive is AI-generated propaganda? *PNAS Nexus, 3*(2), Article pgae034. https://doi.org/10.1093/pnasnexus/pgae034

[84] Corporate Europe Observatory & LobbyControl. (2025, October 29). *Big Tech lobby budgets hit record levels*. https://corporateeurope.org/en/2025/10/big-tech-lobby-budgets-hit-record-levels

[85] Isenstadt, A. (2026, March 29). *New pro-AI group preps $100M midterm blitz to boost Trump's agenda.* Axios. https://www.axios.com/2026/03/29/ai-pac-midterms-trump

[86] Cingano, F. (2014). *Trends in income inequality and its impact on economic growth* (OECD Social, Employment and Migration Working Papers No. 163). OECD Publishing. https://doi.org/10.1787/5jxrjncwxv6j-en

[87] Cingano, F. (2014). *Trends in income inequality and its impact on economic growth* (OECD Social, Employment and Migration Working Papers No. 163). OECD Publishing. https://doi.org/10.1787/5jxrjncwxv6j-en

[88] Brueckner, M., & Lederman, D. (2018). Inequality and economic growth: The role of initial income. *Journal of Economic Growth, 23*(3), 341–366. https://doi.org/10.1007/s10887-018-9156-4

[89] Capretti, L., & Tonni, L. (2026). *Income inequality and economic growth: A meta-analytic approach* [Preprint]. arXiv. https://doi.org/10.48550/arXiv.2602.15690

[90] International Monetary Fund. (2026). *World economic outlook, April 2026.* https://www.imf.org/-/media/files/publications/weo/2026/april/english/text.pdf

[91] Li, N., & Noureldin, D. (2024, September). Eliminating the productivity drag. *Finance & Development.* https://www.imf.org/en/publications/fandd/issues/2024/09/eliminating-the-productivity-drag-li-noureldin

[92] De Loecker, J., & Eeckhout, J. (2018). *Global market power* (NBER Working Paper No. 24768). National Bureau of Economic Research. https://doi.org/10.3386/w24768

[93] Dlugosch, D., Glanville, M., Hooley, J., Ozturk, F., & Westmore, B. (2025). *Understanding the weakness in business investment: A cross-country analysis* (OECD Economics Department Working Paper No. 1836). OECD Publishing. https://doi.org/10.1787/89bd437d-en

[94] Department for Work and Pensions. (2025). *Costs of child poverty: A rapid evidence review of the effect of income on child outcomes*. UK Government. https://www.gov.uk/government/publications/costs-of-child-poverty-a-rapid-evidence-review-of-the-effect-of-income-on-child-outcomes/costs-of-child-poverty-a-rapid-evidence-review-of-the-s

[95] Grossman, M. (1972). On the concept of health capital and the demand for health. *Journal of Political Economy, 80*(2), 223–255. https://doi.org/10.1086/259880

[96] OECD. (2024). *Do adults have the skills they need to thrive in a changing world? Survey of Adult Skills 2023* (OECD Skills Studies). OECD Publishing. https://doi.org/10.1787/b263dc5d-en

[97] Chetty, R., Stepner, M., Abraham, S., Lin, S., Scuderi, B., Turner, N., Bergeron, A., & Cutler, D. (2016). The association between income and life expectancy in the United States, 2001–2014. *JAMA, 315*(16), 1750–1766. https://doi.org/10.1001/jama.2016.4226

[98] World Health Organization. (2025). *World report on social determinants of health equity.* https://iris.who.int/server/api/core/bitstreams/b88a62f3-2f12-4001-840d-db0ef78dce71/content

[99] Ridley, M., Rao, G., Schilbach, F., & Patel, V. (2020). Poverty, depression, and anxiety: Causal evidence and mechanisms. *Science, 370*(6522), Article eaay0214. https://doi.org/10.1126/science.aay0214

[100] World Bank. (2026). *Building human capital where it matters: Homes, neighborhoods, and workplaces.* https://openknowledge.worldbank.org/server/api/core/bitstreams/3c882ce6-2667-4c5c-9909-4da3f6ef27de/content

[101] OECD. (2023). *PISA 2022 results (Volume I): The state of learning and equity in education.* OECD Publishing. https://doi.org/10.1787/53f23881-en ; Richards, M., & Wadsworth, M. E. J. (2004). Long term effects of early adversity on cognitive function. *Archives of Disease in Childhood, 89*(10), 922–927. https://doi.org/10.1136/adc.2003.032490 ; Duncan, G. J., Brooks-Gunn, J., & Klebanov, P. K. (1994). Economic deprivation and early childhood development. *Child Development, 65*(2), 296–318. https://doi.org/10.2307/1131385

[102] Bell, A., Chetty, R., Jaravel, X., Petkova, N., & Van Reenen, J. (2019). Who becomes an inventor in America? The importance of exposure to innovation. *The Quarterly Journal of Economics, 134*(2), 647–713. https://doi.org/10.1093/qje/qjy028

[103] McInnis, N. (2023). Long-term health effects of childhood parental income. *Social Science & Medicine, 317*, Article 115607. https://www.sciencedirect.com/science/article/pii/S0277953622009133 ; Department for Work and Pensions. (2025). *Costs of child poverty: A rapid evidence review of the effect of income on child outcomes.* UK Government. https://www.gov.uk/government/publications/costs-of-child-poverty-a-rapid-evidence-review-of-the-effect-of-income-on-child-outcomes/costs-of-child-poverty-a-rapid-evidence-review-of-the-effect-of-income-on-child-outcomes

[104] World Bank. (2026). *Building human capital where it matters: Homes, neighborhoods, and workplaces.* https://openknowledge.worldbank.org/server/api/core/bitstreams/3c882ce6-2667-4c5c-9909-4da3f6ef27de/content

[105] International Labour Organization. (2018). *Care work and care jobs for the future of decent work.* https://www.ilo.org/publications/major-publications/care-work-and-care-jobs-future-decent-work ; McKinsey Global Institute. (2015). *The power of parity: How advancing women's equality can add $12 trillion to global growth.* https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth

[106] Goldin, C. (2014). A grand gender convergence: Its last chapter. *American Economic Review, 104*(4), 1091–1119. https://doi.org/10.1257/aer.104.4.1091

[107] Chetty, R., Hendren, N., Jones, M. R., & Porter, S. R. (2020). Race and economic opportunity in the United States: An intergenerational perspective. *The Quarterly Journal of Economics, 135*(2), 711–783. https://doi.org/10.1093/qje/qjz042

[108] Dynan, K. E., Skinner, J., & Zeldes, S. P. (2004). Do the rich save more? *Journal of Political Economy, 112*(2), 397–444. https://doi.org/10.1086/381475

[109] Carroll, C. D., Slacalek, J., Tokuoka, K., & White, M. N. (2017). The distribution of wealth and the marginal propensity to consume. *Quantitative Economics, 8*(3), 977–1020. https://doi.org/10.3982/QE694 ; Fagereng, A., Holm, M. B., & Natvik, G. J. (2021). MPC heterogeneity and household balance sheets. *American Economic Journal: Macroeconomics, 13*(4), 1–54. https://doi.org/10.1257/mac.20190211

[110] Summers, L. H. (2014). U.S. economic prospects: Secular stagnation, hysteresis, and the zero lower bound. *Business Economics, 49*(2), 65–73. https://doi.org/10.1057/be.2014.13

[111] Korinek, A. (2024). *Economic policy challenges for the age of AI* (NBER Working Paper No. 32980). National Bureau of Economic Research. https://doi.org/10.3386/w32980 ; Bivens, J., & Banerjee, A. (2022). *Inequality's drag on aggregate demand: The macroeconomic and fiscal effects of rising income shares of the rich*. Economic Policy Institute. https://www.epi.org/publication/inequalitys-drag-on-aggregate-demand/

[112] De Loecker, J., Eeckhout, J., & Unger, G. (2020). The rise of market power and the macroeconomic implications. *The Quarterly Journal of Economics, 135*(2), 561–644. https://doi.org/10.1093/qje/qjz041

[113] Akcigit, U., Chen, W., Díez, F. J., Duval, R., Engler, P., Fan, J., Maggi, C., Mendes Tavares, M., Schwarz, D., Shibata, I., & Villegas-Sánchez, C. (2021). *Rising corporate market power: Emerging policy issues* (IMF Staff Discussion Note No. 2021/001). International Monetary Fund. https://doi.org/10.5089/9781513512082.006

[114] Syverson, C. (2019). Macroeconomics and market power: Context, implications, and open questions. *Journal of Economic Perspectives, 33*(3), 23–43. https://doi.org/10.1257/jep.33.3.23

[115] Gutiérrez, G., & Philippon, T. (2017). Investmentless growth: An empirical investigation. *Brookings Papers on Economic Activity, 2017*(2), 89–190. https://doi.org/10.1353/eca.2017.0013

[116] Gutiérrez, G., & Philippon, T. (2017). Investmentless growth: An empirical investigation. *Brookings Papers on Economic Activity, 2017*(2), 89–190. https://doi.org/10.1353/eca.2017.0013

[117] Aghion, P., Bloom, N., Blundell, R., Griffith, R., & Howitt, P. (2005). Competition and innovation: An inverted-U relationship. *The Quarterly Journal of Economics, 120*(2), 701–728. https://doi.org/10.1093/qje/120.2.701

[118] Akcigit, U., Chen, W., Díez, F. J., Duval, R., Engler, P., Fan, J., Maggi, C., Mendes Tavares, M., Schwarz, D., Shibata, I., & Villegas-Sánchez, C. (2021). *Rising corporate market power: Emerging policy issues* (IMF Staff Discussion Note No. 2021/001). International Monetary Fund. https://doi.org/10.5089/9781513512082.006

[119] United Nations General Assembly. (2025, July 21). *Report of the Special Rapporteur on the right to food, Michael Fakhri: Corporate power and human rights in food systems* (A/80/213). https://undocs.org/A/80/213

[120] United Nations General Assembly. (2025, July 21). *Report of the Special Rapporteur on the right to food, Michael Fakhri: Corporate power and human rights in food systems* (A/80/213). https://undocs.org/A/80/213

[121] Ennis, S. F., Gonzaga, P., & Pike, C. (2019). Inequality: A hidden cost of market power. *Oxford Review of Economic Policy, 35*(3), 518–549. https://doi.org/10.1093/oxrep/grz017

[122] Card, D. (2022). Who set your wage? *American Economic Review, 112*(4), 1075–1090. https://doi.org/10.1257/aer.112.4.1075 ; Manning, A. (2021). Monopsony in labor markets: A review. *ILR Review, 74*(1), 3–26. https://doi.org/10.1177/0019793920922499

[123] Adil, L., Eckstein, D., Künzel, V., & Schäfer, L. (2025). *Climate risk index 2025: Who suffers most from extreme weather events?* Germanwatch. https://www.germanwatch.org/sites/default/files/2025-02/Climate%20Risk%20Index%202025.pdf ; Intergovernmental Panel on Climate Change. (2023). Sections. In Core Writing Team, H. Lee, & J. Romero (Eds.), *Climate change 2023: Synthesis report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* (pp. 35–115). https://doi.org/10.59327/IPCC/AR6-9789291691647

[124] Birkmann, J., Liwenga, E., Pandey, R., Boyd, E., Djalante, R., Gemenne, F., Leal Filho, W., Pinho, P. F., Stringer, L., & Wrathall, D. (2022). Poverty, livelihoods and sustainable development. In H.-O. Pörtner, D. C. Roberts, M. Tignor, E. S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Löschke, V. Möller, A. Okem, & B. Rama (Eds.), *Climate change 2022: Impacts, adaptation and vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* (pp. 1171–1274). Cambridge University Press. https://doi.org/10.1017/9781009325844.010

[125] Green, F., & Healy, N. (2022). How inequality fuels climate change: The climate case for a Green New Deal. *One Earth, 5*(6), 635–649. https://doi.org/10.1016/j.oneear.2022.05.005

[126] Kaizuka, S. (2024). Politics of a just transition: Lessons from the UK coal mines. *Contemporary Social Science, 19*(1–3), 154–177. https://doi.org/10.1080/21582041.2024.2337672

[127] Fabian, N., & Kimura, T. (2024). *Why system-level thinking is required of responsible investors in an inflationary environment.* PRI Blog. https://www.unpri.org/blog?id=why-system-level-thinking-is-required-of-responsible-investors-in-an

[128] International Labour Organization. (2019). *Working on a warmer planet: The impact of heat stress on labour productivity and decent work.* https://www.ilo.org/global/publications/books/WCMS_711919/lang--en/index.htm

[129] European Central Bank & European Insurance and Occupational Pensions Authority. (2024). *Towards a European system for natural catastrophe risk management: The possible role of European solutions in reducing the impact of natural catastrophes stemming from climate change.* https://www.eiopa.europa.eu/document/download/d8c87070-f602-4bf7-b8d8-726ec0b5c173_en ; Pozdyshev, V., Lobanov, A., & Ilinsky, K. (2025). *Incorporating physical climate risks into banks' credit risk models* (BIS Working Papers No. 1274). Bank for International Settlements. https://www.bis.org/publ/work1274.pdf

[130] Broeders, D., & Gybas, D. (2026, July 7). *Climate factors: How the ECB tackles climate uncertainty in its collateral framework*. The ECB Blog. https://www.ecb.europa.eu/press/blog/date/2026/html/ecb.blog20260707~bb81f1b45e.en.html ; European Central Bank & European Systemic Risk Board. (2023). *Towards macroprudential frameworks for managing climate risk.* https://www.esrb.europa.eu/pub/pdf/reports/esrb.report202312~d7881028b8.en.pdf

[131] Biglaiser, G., Lee, H., & McGauvran, R. J. (2024). Domestic political unrest and sovereign bond ratings in the developing world. *Journal of Conflict Resolution, 68*(7–8), 1580–1607. https://doi.org/10.1177/00220027231195383 ; Hadzi-Vaskov, M., Pienknagura, S., & Ricci, L. A. (2021). *The macroeconomic impact of social unrest* (IMF Working Paper No. 21/135). International Monetary Fund. https://doi.org/10.5089/9781513582573.001

[132] Taskforce on Inequality and Social-related Financial Disclosures. (2025). *Conceptual foundations: A discussion paper,* Section 4, "The Linkages Between People, Nature and Climate," Box 10. https://www.tisfd.org/downloads

[133] International Monetary Fund. (2026). *Fiscal monitor: Fiscal policy under pressure: High debt, rising risks.* https://www.imf.org/en/publications/fm/issues/2026/04/15/fiscal-monitor-april-2026

[134] International Monetary Fund. (2026). *Global financial stability report: Global financial markets confront the war in the Middle East and amplification risks.* https://www.imf.org/-/media/files/publications/gfsr/2026/april/english/text.pdf

[135] International Monetary Fund. (2026, May 13). *Uneven household debt, uneven trends* (IMF Data Brief: Financial Soundness Indicators). https://data.imf.org/en/news/imf%20data%20brief%20may%2013

[136] Kumhof, M., Rancière, R., & Winant, P. (2015). Inequality, leverage, and crises. *American Economic Review, 105*(3), 1217–1245. https://doi.org/10.1257/aer.20110683

[137] Mian, A., Straub, L., & Sufi, A. (2020). *The saving glut of the rich* (NBER Working Paper No. 26941). National Bureau of Economic Research. https://doi.org/10.3386/w26941

[138] Rawdanowicz, Ł., Turban, S., Haas, J., Crowe, D., & Millot, V. (2021). *Constraints and demands on public finances: Considerations of resilient fiscal policy* (OECD Economics Department Working Paper No. 1694). OECD Publishing. https://doi.org/10.1787/602500be-en

[139] Bierbaum, M., & Schmitt, V. (2022). *Investing more in universal social protection: Filling the financing gap through domestic resource mobilization and international support and coordination* (ILO Working Paper No. 44). International Labour Organization. https://webapps.ilo.org/static/english/intserv/working-papers/wp044/index.html

[140] Farhi, E., & Tirole, J. (2016). *Deadly embrace: Sovereign and financial balance sheets doom loops* (NBER Working Paper No. 21843). National Bureau of Economic Research. https://doi.org/10.3386/w21843

[141] International Monetary Fund. (2026, April). *Fiscal monitor: Fiscal policy under pressure: High debt, rising risks*. https://www.imf.org/en/Publications/FM/Issues/2026/04/15/fiscal-monitor-april-2026 ; International Monetary Fund. (2026, October). *Global financial stability report: Resilience, risk, and transformation.* https://www.imf.org/en/publications/gfsr/issues/2026/10/13/global-financial-stability-report-october-2026

[142] Drabo, A., Eklou, K. M., Imam, P. A., & Kpodar, K. R. (2023). *Social unrests and fuel prices: The role of macroeconomic, social and institutional factors* (IMF Working Paper No. 2023/228). International Monetary Fund. https://doi.org/10.5089/9798400257384.001; United Nations & World Bank. (2018). *Pathways for peace: Inclusive approaches to preventing violent conflict.* World Bank. https://openknowledge.worldbank.org/handle/10986/28337

[143] World Bank. (2020). *The Human Capital Index 2020 update: Human capital in the time of COVID-19.* https://documents1.worldbank.org/curated/en/456901600111156873/pdf/The-Human-Capital-Index-2020-Update-Human-Capital-in-the-Time-of-COVID-19.pdf

[144] World Bank. (2024, August 12). *World Bank Group launches high level council to tackle looming jobs crisis* [Press release]. https://www.worldbank.org/en/news/press-release/2024/08/12/world-bank-group-launches-high-level-council-to-tackle-looming-jobs-crisis

[145] Mian, A., Straub, L., & Sufi, A. (2021). Indebted demand. *The Quarterly Journal of Economics, 136*(4), 2243–2307. https://doi.org/10.1093/qje/qjab007

[146] Egger, D., Haushofer, J., Miguel, E., Niehaus, P., & Walker, M. (2022). General equilibrium effects of cash transfers: Experimental evidence from Kenya. *Econometrica, 90*(6), 2603–2643. https://doi.org/10.3982/ECTA17945

[147] United Nations Conference on Trade and Development. (2025). *A world of debt 2025: It is time for reform.* https://unctad.org/system/files/official-document/osgttinf2025d4_en.pdf

[148] Lukomnik, J., & Hawley, J. P. (2021). *Moving beyond modern portfolio theory: Investing that matters.* Routledge.

[149] Principles for Responsible Investment. (2026). *How extreme and rising economic inequality affects investors and how they can respond* [Investor briefing]. https://www.unpri.org/deep-dive?id=investor-briefing-on-economic-inequality

[150] Lagarde, C. (2014, May 27). *Economic inclusion and financial integrity—An address to the Conference on Inclusive Capitalism* [Speech Transcript]. International Monetary Fund. https://www.imf.org/en/news/articles/2015/09/28/04/53/sp052714

[151] BBC News. (2019, March 12). *Raghuram Rajan says capitalism is 'under serious threat'.* https://www.bbc.com/news/business-47532522

[152] Hadzi-Vaskov, M., Pienknagura, S., & Ricci, L. A. (2023). The macroeconomic impact of social unrest. *The B.E. Journal of Macroeconomics, 23*(2), 917–958. https://doi.org/10.5089/9781513582573.001

[153] Alesina, A., & Perotti, R. (1996). Income distribution, political instability, and investment. *European Economic Review, 40*(6), 1203–1228. https://doi.org/10.1016/0014-2921(95)00030-5

[154] Institute for Economics & Peace. (2020). *Global Peace Index 2020: Measuring peace in a complex world.* Sydney: IEP. https://www.visionofhumanity.org/wp-content/uploads/2020/10/GPI_2020_web.pdf

[155] Ben Malka, R., & Hadad, S. (2025). Safeguarding economic growth amid democratic backsliding: The primacy of institutions over innovation. *Economies, 13*(8), Article 237. https://doi.org/10.3390/economies13080237 ; Boese-Schlosser, V., Desbordes, R., Eberhardt, M., & Larch, M. (2025). *The economic consequences of democratic backsliding: Evidence from U.S. states* (CITP Working Paper No. 027). Centre for Inclusive Trade Policy. https://citp.ac.uk/asset/2025_Economic-consequences-of-democratic-backsliding_CITP_WP027.pdf

[156] International Monetary Fund. (2025). *Technical Assistance Report - Pakistan: Governance and corruption diagnostic assessment* (Technical Assistance Report No. 2025/098). https://doi.org/10.5089/9798229029759.019

[157] Funke, M., Schularick, M., & Trebesch, C. (2023). Populist leaders and the economy. *American Economic Review, 113*(12), 3249–3288. https://doi.org/10.1257/aer.20202045

The authors define populist leaders as leaders who divide society into two artificial groups, "the people" and "the elites", and claim to be the sole representative of the true people. Leaders are classified on the basis of their political style and rhetoric, not their policies or economic outcomes, and the classification covers leaders on both the left and the right.

[158] Espinosa-Mendez, C. (2022). Civil unrest and firm performance: Evidence from Chile. *Economics and Business Letters, 11*(3), 118–124. https://doi.org/10.17811/ebl.11.3.2022.118-124

[159] Allianz Commercial. (2026). *Political violence and civil unrest trends 2026: The drivers and dynamics reshaping the global risk landscape.* https://commercial.allianz.com/news-and-insights/reports/political-violence-and-civil-unrest-trends.html

[160] Wheeler, T. (2026, July 7). *Data center backlash signals a fight over AI power. Brookings Institution.* https://www.brookings.edu/articles/data-center-backlash-signals-a-fight-over-ai-power/

[161] OECD. (2025). Reigniting investment for more resilient growth. In *OECD economic outlook, Volume 2025 Issue 1* (pp. 65–102). https://www.oecd.org/en/publications/2025/06/oecd-economic-outlook-volume-2025-issue-1_1fd979a8/full-report/reigniting-investment-for-more-resilient-growth_99b36090.html

[162] Pande, M. (2024, March 12). *Strikes, riots and civil commotion: Exploring solutions to proactively manage heightening risk.* Swiss Re. https://www.swissre.com/reinsurance/insights/strikes-riots-and-civil-commotion-solutions.html

[163] Acemoglu, D., Naidu, S., Restrepo, P., & Robinson, J. A. (2019). Democracy does cause growth. *Journal of Political Economy, 127*(1), 47–100. https://doi.org/10.1086/700936

[164] Hasan, I., Hoi, C. K., Wu, Q., & Zhang, H. (2017). Social capital and debt contracting: Evidence from bank loans and public bonds. *Journal of Financial and Quantitative Analysis, 52*(3), 1017–1047. https://doi.org/10.1017/S0022109017000205

[165] Berg, A. G., & Ostry, J. D. (2011). *Inequality and unsustainable growth: Two sides of the same coin?* (IMF Staff Discussion Note SDN/11/08). International Monetary Fund. https://doi.org/10.5089/9781463926564.006

[166] Ostry, J. D., Berg, A., & Tsangarides, C. G. (2014). *Redistribution, inequality, and growth* (IMF Staff Discussion Note SDN/14/02). International Monetary Fund. https://doi.org/10.5089/9781484352076.006

[167] Steenbrink, R., & Skali, A. (2026). Wealth inequality and economic growth: Evidence from the World Inequality Database. *World Development, 199*, Article 107250. https://doi.org/10.1016/j.worlddev.2025.107250

[168] Cingano, F. (2014). *Trends in income inequality and its impact on economic growth* (OECD Social, Employment and Migration Working Papers No. 163). OECD Publishing. https://doi.org/10.1787/5jxrjncwxv6j-en

[169] World Bank. (n.d.). *The Human Capital Project.* https://www.worldbank.org/en/publication/human-capital

[170] Onaran, Ö., & Galanis, G. (2012). *Is aggregate demand wage-led or profit-led? National and global effects* (Conditions of Work and Employment Series No. 40). International Labour Office. https://www.ilo.org/publications/aggregate-demand-wage-led-or-profit-led-national-and-global-effects

[171] Bivens, J., & Banerjee, A. (2022). *Inequality's drag on aggregate demand.* Economic Policy Institute. https://www.epi.org/publication/inequalitys-drag-on-aggregate-demand/

[172] Onaran, Ö., & Galanis, G. (2014). Income distribution and growth: A global model. *Environment and Planning A, 46*(10), 2489–2513. https://doi.org/10.1068/a46265

[173] ManpowerGroup. (2026). *2026 U.S. Talent Shortage Survey*. https://www.manpowergroupusa.com/hubfs/2026%20Talent%20Shortage/ManpowerGroup%202026%20U.S.%20Talent%20Shortage%20Survey.pdf ; ManpowerGroup. (2025, January 24). Talent shortage in APAC persists with 77% of employers facing challenges in filling positions [Press release]. https://www.manpower.com.sg/en/insights/blogs/2025/05/talent-shortage-in-apac-persists-with-77-percent-of-employers-facing-challenges-in-filling-positions

[174] World Health Organization. (2026, September 15). *Mental health at work.* https://www.who.int/news-room/fact-sheets/detail/mental-health-at-work

[175] Andersson, M., Jarvis, V., Le Breton, G., & Morris, R. (2025). The outlook for euro area business investment – findings from an ECB survey of large firms. *ECB Economic Bulletin,* (4). https://www.ecb.europa.eu/press/economic-bulletin/focus/2025/html/ecb.ebbox202504_03~82e0d4b61c.en.html

[176] OECD. (2023). *Joining forces for gender equality: What is holding us back?* OECD Publishing. https://doi.org/10.1787/67d48024-en

[177] Peterson, D. M., & Mann, C. L. (2020). *Closing the racial inequality gaps: The economic cost of Black inequality in the U.S.* (Citi GPS: Global Perspectives & Solutions). Citigroup. https://www.citigroup.com/global/insights/citigps/closing-the-racial-inequality-gaps-20200922

[178] Dash, P., Dorling, G., Linzer, K., Ramdorai, A., Remes, J., Rutter, K.-A., & Singhal, S. (2020, July 8). *How prioritizing health could help rebuild economies.* McKinsey Global Institute. https://www.mckinsey.com/industries/healthcare/our-insights/how-prioritizing-health-could-help-rebuild-economies

[179] Rich, R. (2013, November 22). *The Great Recession.* Federal Reserve History. https://www.federalreservehistory.org/essays/great-recession-of-200709

[180] Cerra, V., & Saxena, S. C. (2008). Growth dynamics: The myth of economic recovery. *American Economic Review, 98*(1), 439–457. https://doi.org/10.1257/aer.98.1.439

[181] Mian, A., Straub, L., & Sufi, A. (2021). Indebted demand. *The Quarterly Journal of Economics, 136*(4), 2243–2307. https://doi.org/10.1093/qje/qjab007

[182] U.S. General Accounting Office. (2003). *Pension Benefit Guaranty Corporation: Long-term financing risks to single-employer insurance program highlight need for comprehensive reform* (GAO-04-150T). https://www.gao.gov/products/gao-04-150t

[183] G20 Extraordinary Committee of Independent Experts on Global Inequality. (2025). *G20 global inequality report.* https://www.gov.za/sites/default/files/gcis_document/202511/g20-global-inequality-report-full-and-summary.pdf

[184] EU Tax Observatory. (2023). *Global tax evasion report 2024*. https://www.taxobservatory.eu/publication/global-tax-evasion-report-2024/

[185] International Labour Organization. (2026, September 21). *Closing the gender pay gap is critical to advance social justice.* https://www.ilo.org/resource/news/closing-gender-pay-gap-critical-advance-social-justice

[186] International Labour Organization. (2022). *Global wage report 2022–23: The impact of inflation and COVID-19 on wages and purchasing power.* https://doi.org/10.54394/ZLFG5119

[187] Zeru, H., & Schultz, A. (2026, March 3). *Mind the governance gap: The state of board oversight and AI policy in U.S. companies.* ISS STOXX. https://www.iss-stoxx.com/insights/articles/mind-the-governance-gap-the-state-of-board-oversight-and-ai-policy-in-us-companies/

[188] Independent International Scientific Panel on AI. (2026). *Preliminary report of the Independent International Scientific Panel on AI.* United Nations. https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

[189] Barhoumi, K., de Carvalho, F. A., Gorbanyov, M., Kido, Y., Koll, D., Nguyen, A. D. M., Ostojic, D., Shang, B., Tamirisa, N. T., Toms, S., & Zhao, Y. (2026). *Global economic and financial implications of artificial intelligence: Lessons from a scenario-planning exercise* (IMF Note No. 2026/002). International Monetary Fund. https://www.imf.org/-/media/files/publications/imf-notes/2026/english/insea2026002.pdf

[190] Fabris, A., Baranowska, N., Dennis, M. J., Graus, D., Hacker, P., Saldivar, J., Zuiderveen Borgesius, F., & Biega, A. J. (2025). Fairness and bias in algorithmic hiring: A multidisciplinary survey. *ACM Transactions on Intelligent Systems and Technology, 16*(1), Article 16. https://doi.org/10.1145/3696457 ; Wilson, K., & Caliskan, A. (2024). Gender, race, and intersectional bias in resume screening via language model retrieval. *Proceedings of the AAAI/ACM Conference on AI, Ethics, and Society, 7*(1), 1578–1590. https://doi.org/10.1609/aies.v7i1.31748

[191] Milanez, A., Lemmens, A., & Ruggiu, C. (2025). *Algorithmic management in the workplace: New evidence from an OECD employer survey* (OECD Artificial Intelligence Papers No. 31). OECD Publishing. https://doi.org/10.1787/287c13c4-en

[192] Independent International Scientific Panel on AI. (2026). *Preliminary report of the Independent International Scientific Panel on AI. United Nations*. https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

[193] Cullen, Z. B., Li, D., & Li, S. (2026). *Labor as capital: AI and the ownership of expertise* (Harvard Business School Working Paper No. 26-063). Harvard Business School. https://www.hbs.edu/ris/Publication%20Files/26-063_6b332c34-be84-4af4-9d29-1107d22419e9.pdf

[194] International Energy Agency. (2025). *Energy and AI.* https://www.iea.org/reports/energy-and-ai

[195] Cui, R., Li, M., & Zhang, S. (2022). AI and procurement. *Manufacturing & Service Operations Management, 24*(2), 691–706. https://doi.org/10.1287/msom.2021.0989 ; International Labour Organization. (2017). *Purchasing practices and working conditions in global supply chains: Global survey results* (INWORK Policy Brief No. 10). https://www.ilo.org/publications/purchasing-practices-and-working-conditions-global-supply-chains-global

[196] Miceli, M., & Posada, J. (2022). The data-production dispositif. *Proceedings of the ACM on Human-Computer Interaction, 6*(CSCW2), Article 460. https://doi.org/10.1145/3555561

[197] OECD. (2026). *Venture capital investments in artificial intelligence through 2025* [Policy brief]. OECD Publishing. https://www.oecd.org/en/publications/venture-capital-investments-in-artificial-intelligence-through-2025_a13752f5-en/full-report

[198] U.S. Federal Trade Commission. (2025). *Surveillance pricing 6(b) study: Research summaries.* https://www.ftc.gov/system/files/ftc_gov/pdf/p246202_surveillancepricing6bstudy_researchsummaries_redacted.pdf ; OECD. (2018). *Personalised pricing in the digital era* (OECD Roundtables on Competition Policy Papers). OECD Publishing. https://www.oecd.org/en/publications/personalised-pricing-in-the-digital-era_db4d9c9c-en.html

[199] Chien, J., Roberts, M. E., & Ustun, B. (2023). *Algorithmic censoring in dynamic learning systems* [Preprint]. arXiv. https://arxiv.org/abs/2305.09035

[200] Bartlett, R., Morse, A., Stanton, R., & Wallace, N. (2022). Consumer-lending discrimination in the FinTech era. *Journal of Financial Economics, 143*(1), 30–56. https://doi.org/10.1016/j.jfineco.2021.05.047

[201] Independent International Scientific Panel on AI. (2026). *Preliminary report of the Independent International Scientific Panel on AI.* United Nations. https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

[202] Independent International Scientific Panel on AI. (2026). *Preliminary report of the Independent International Scientific Panel on AI.* United Nations. https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

[203] Independent International Scientific Panel on AI. (2026). *Preliminary report of the Independent International Scientific Panel on AI.* United Nations. https://www.un.org/independent-international-scientific-panel-ai/sites/default/files/2026-07/en_Preliminary%20Report_.pdf

[204] G20 Extraordinary Committee of Independent Experts on Global Inequality. (2025). *G20 global inequality report*. https://www.gov.za/sites/default/files/gcis_document/202511/g20-global-inequality-report-full-and-summary.pdf

[205] International Labour Office. (2021). *Inequalities and the world of work* (Report IV(Rev.), ILC.109/IV(Rev.)). International Labour Conference, 109th Session. https://www.ilo.org/resource/conference-paper/ilc/109/inequalities-and-world-work

[206] Oxfam. (2020). *Global drivers of inequalities* (The multidimensional inequality framework: The Oxfam toolkit). https://inequalitytoolkit.org/intermon/public/guides/global_drivers_of_inequalities.pdf

[207] United Nations Department of Economic and Social Affairs. (2020). *World social report 2020: Inequality in a rapidly changing world.* United Nations. https://social.desa.un.org/publications/undesa-world-social-report-2020

[208] Dabla-Norris, E., Kochhar, K., Suphaphiphat, N., Ricka, F., & Tsounta, E. (2015). *Causes and consequences of income inequality: A global perspective* (IMF Staff Discussion Note SDN/15/13). International Monetary Fund. https://doi.org/10.5089/9781513555188.006

[209] United Nations Development Programme. (2013). *Humanity divided: Confronting inequality in developing countries.* UNDP.

[210] OECD. (2011). *Divided we stand: Why inequality keeps rising.* OECD Publishing. https://doi.org/10.1787/9789264119536-en

[211] OECD. (2026). *Earnings inequality as an investor issue: A framework for engagement* (OECD Papers on Well-being and Inequalities, No. 42). OECD Publishing. https://doi.org/10.1787/308e86a9-en

[212] Diffenbaugh, N. S., & Burke, M. (2019). Global warming has increased global economic inequality. *Proceedings of the National Academy of Sciences, 116*(20), 9808–9813. https://doi.org/10.1073/pnas.1816020116

[213] Weil, D. (2019). Understanding the present and future of work in the fissured workplace context. RSF: The Russell Sage Foundation Journal of the Social Sciences, 5(5), 147–165. https://doi.org/10.7758/RSF.2019.5.5.08

[214] International Labour Organization. (2021). *World employment and social outlook 2021: The role of digital labour platforms in transforming the world of work.* https://www.ilo.org/publications/flagship-reports/role-digital-labour-platforms-transforming-world-work

[215] International Labour Organization. (2026). *Employment and social trends 2026.* https://www.ilo.org/publications/flagship-reports/employment-and-social-trends-2026

[216] OECD. (n.d.). *Incidence of temporary employment by age and gender* [Data set]. OECD Data Explorer. Retrieved October 18, 2026, from http://data-explorer.oecd.org/s/276

[217] World Bank. (2023). *Working without borders: The promise and peril of online gig work.* https://doi.org/10.1596/40066

[218] International Labour Organization. (2016). *Non-standard employment around the world: Understanding challenges, shaping prospects.* https://www.ilo.org/publications/major-publications/non-standard-employment-around-world-understanding-challenges-shaping

[219] Nolan, B., Richiardi, M. G., & Valenzuela, L. (2019). The drivers of income inequality in rich countries. *Journal of Economic Surveys, 33*(4), 1285–1324. https://doi.org/10.1111/joes.12328

[220] OECD. (2019). Left on your own? Social protection when labour markets are in flux. In *OECD employment outlook 2019: The future of work.* OECD Publishing. https://doi.org/10.1787/9ee00155-en

[221] Rönnblad, T., Grönholm, E., Jonsson, J., Koranyi, I., Orellana, C., Kreshpaj, B., Chen, L., Stockfelt, L., & Bodin, T. (2019). Precarious employment and mental health: A systematic review and meta-analysis of longitudinal studies. *Scandinavian Journal of Work, Environment & Health, 45*(5), 429–443. https://doi.org/10.5271/sjweh.3797

[222] Cabrales, A., Dolado, J. J., & Mora, R. (2017). Dual employment protection and (lack of) on-the-job training: PIAAC evidence for Spain and other European countries. *SERIEs, 8*(4), 345–371. https://doi.org/10.1007/s13209-017-0166-9 ; Garcia-Louzao, J., Hospido, L., & Ruggieri, A. (2023). Dual returns to experience. *Labour Economics, 80*, Article 102290. https://doi.org/10.1016/j.labeco.2022.102290

[223] International Labour Organization. (2026). *Employment and social trends 2026.* https://www.ilo.org/publications/flagship-reports/employment-and-social-trends-2026

[224] EU Tax Observatory. (2023). *Global tax evasion report 2024.* https://www.taxobservatory.eu/publication/global-tax-evasion-report-2024/

[225] García-Bernardo, J., & Janský, P. (2024). Profit shifting of multinational corporations worldwide. *World Development, 177*, Article 106527. https://doi.org/10.1016/j.worlddev.2023.106527

[226] Zucman, G. (2014). Taxing across borders: Tracking personal wealth and corporate profits. *Journal of Economic Perspectives, 28*(4), 121–148. https://doi.org/10.1257/jep.28.4.121

[227] EU Tax Observatory. (2023). *Global tax evasion report 2024.* https://www.taxobservatory.eu/publication/global-tax-evasion-report-2024/

[228] Cobham, A., & Janský, P. (2018). Global distribution of revenue loss from corporate tax avoidance: Re-estimation and country results. *Journal of International Development, 30*(2), 206–232. https://doi.org/10.1002/jid.3348

[229] Zucman, G. (2014). Taxing across borders: Tracking personal wealth and corporate profits. *Journal of Economic Perspectives, 28*(4), 121–148. https://doi.org/10.1257/jep.28.4.121

[230] Souillard, B. (2026). *Profit shifting, employee pay, and inequalities.* International Tax and Public Finance. https://doi.org/10.1007/s10797-026-09967-3

[231] Hastings, A., Matthews, P., & Wang, Y. (2023). Unequal and gendered: Assessing the impacts of austerity cuts on public service users. *Social Policy and Society, 22*(4), 594–609. https://doi.org/10.1017/S1474746421000543

[232] Bellon, M., & Warwick, R. (2025). *State capacity, institutions and growth: Taxing for takeoff—Revisiting the tax tipping point* (IMF Working Paper No. 2025/203). International Monetary Fund. https://doi.org/10.5089/9798229028295.001

[233] Pew Research Center. (2017, April 14). *Top frustrations with tax system: Sense that corporations, wealthy don't pay fair share.* https://www.pewresearch.org/politics/2017/04/14/top-frustrations-with-tax-system-sense-that-corporations-wealthy-dont-pay-fair-share/

[234] International Monetary Fund. (2025, October). *Fiscal monitor: Spending smarter—How efficient and well-allocated public spending can boost growth.* https://www.imf.org/-/media/Files/Publications/fiscal-monitor/2025/October/English/ch1.ashx

[235] United Nations Conference on Trade and Development. (2020). *Economic development in Africa report 2020: Tackling illicit financial flows for sustainable development in Africa.* United Nations. https://unctad.org/webflyer/economic-development-africa-report-2020

[236] Rothenberg, D., Danso, H., & Van Gansbeke, F. (2025). *Investing to reconnect financial value with people, nature, and the real economy: An iterative blueprint for capital markets actors, policymakers, and regulators* (Earth4All Deep-Dive Paper No. 18). The Club of Rome. https://www.clubofrome.org/publication/earth4all-rothenberg/

[237] Principles for Responsible Investment. (2026). *How extreme and rising economic inequality affects investors and how they can respond* [Investor briefing]. https://www.unpri.org/deep-dive?id=investor-briefing-on-economic-inequality

[238] International Monetary Fund. (2015). The asset management industry and financial stability. *In Global financial stability report, April 2015: Navigating monetary policy challenges and managing risks* (pp. 93–132). https://doi.org/10.5089/9781498372930.082

[239] Chen, R., & Kemp, E. (2023). *Putting out the NBFIRE: Lessons from the UK's liability-driven investment (LDI) crisis* (IMF Working Paper No. 2023/210). International Monetary Fund. https://doi.org/10.5089/9798400255076.001

[240] Cederman, L.-E., Weidmann, N. B., & Gleditsch, K. S. (2011). Horizontal inequalities and ethnonationalist civil war: A global comparison. *American Political Science Review, 105*(3), 478–495. https://doi.org/10.1017/S0003055411000207

[241] Østby, G. (2008). Inequalities, the political environment and civil conflict: Evidence from 55 developing countries. In F. Stewart (Ed.), *Horizontal inequalities and conflict: Understanding group violence in multiethnic societies* (pp. 136–159). Palgrave Macmillan. https://doi.org/10.1057/9780230582729_7

[242] Bartusevičius, H. (2014). The inequality–conflict nexus re-examined: Income, education and popular rebellions. *Journal of Peace Research, 51*(1), 35–50. https://doi.org/10.1177/0022343313503179

[243] Radatz, L., & Baten, J. (2025). Measuring multidimensional inequality and its impact on civil war outbreak in 193 countries, 1810–2010. *Review of Income and Wealth, 71*, Article e70016. https://doi.org/10.1111/roiw.70016

[244] Couttenier, M., Laurent-Lucchetti, J., & Vandewalle, L. (2026). Inequality and social unrest in India. *World Development, 205*, Article 107418. https://doi.org/10.1016/j.worlddev.2026.107418

[245] Rau, E. G., & Stokes, S. C. (2025). Income inequality and the erosion of democracy in the twenty-first century. *Proceedings of the National Academy of Sciences, 122*(1), Article e2422543121. https://doi.org/10.1073/pnas.2422543121

[246] Gu, Y., & Wang, Z. (2022). Income inequality and global political polarization: The economic origin of political polarization in the world. *Journal of Chinese Political Science, 27*(2), 375–398. https://doi.org/10.1007/s11366-021-09772-1

[247] Gould, E. D., & Hijzen, A. (2016). *Growing apart, losing trust? The impact of inequality on social capital* (IMF Working Paper WP/16/176). International Monetary Fund. https://www.imf.org/external/pubs/ft/wp/2016/wp16176.pdf ; Gould, E. D., & Hijzen, A. (2017). In equality, we trust. *Finance & Development, 54*(1). https://www.imf.org/external/pubs/ft/fandd/2017/03/gould.htm

[248] Autor, D., Dorn, D., Hanson, G., & Majlesi, K. (2020). Importing political polarization? The electoral consequences of rising trade exposure. *American Economic Review, 110*(10), 3139–3183. https://doi.org/10.1257/aer.20170011

[249] Cingano, F. (2014). *Trends in income inequality and its impact on economic growth* (OECD Social, Employment and Migration Working Papers No. 163). OECD Publishing. https://doi.org/10.1787/5jxrjncwxv6j-en

[250] Carroll, C. D., Slacalek, J., Tokuoka, K., & White, M. N. (2017). The distribution of wealth and the marginal propensity to consume. *Quantitative Economics, 8*(3), 977–1020. https://doi.org/10.3982/QE694

[251] Summers, L. H. (2014). U.S. economic prospects: Secular stagnation, hysteresis, and the zero lower bound. Business Economics, 49(2), 65–73. https://doi.org/10.1057/be.2014.13

[252] De Loecker, J., & Eeckhout, J. (2018). *Global market power* (NBER Working Paper No. 24768). National Bureau of Economic Research. https://doi.org/10.3386/w24768

[253] Kumhof, M., Rancière, R., & Winant, P. (2015). Inequality, leverage, and crises. *American Economic Review, 105*(3), 1217–1245. https://doi.org/10.1257/aer.20110683

[254] Isojaervi, A. T., & Jerow, S. (2024, April 19). *Inequality and financial sector vulnerabilities* (FEDS Notes). Board of Governors of the Federal Reserve System. https://doi.org/10.17016/2380-7172.3482

[255] Paul, P. (2023). Historical patterns of inequality and productivity around financial crises. *Journal of Money, Credit and Banking, 55*(7), 1641–1665. https://doi.org/10.1111/jmcb.13020

[256] Bazillier, R., Héricourt, J., & Ligonnière, S. (2021). Structure of income inequality and household leverage: Cross-country causal evidence. *European Economic Review, 132*, Article 103629. https://doi.org/10.1016/j.euroecorev.2020.103629

[257] Mian, A., Straub, L., & Sufi, A. (2020). *The saving glut of the rich* (NBER Working Paper No. 26941). National Bureau of Economic Research. https://doi.org/10.3386/w26941

[258] Isojaervi, A. T., & Jerow, S. (2024, April 19). *Inequality and financial sector vulnerabilities* (FEDS Notes). Board of Governors of the Federal Reserve System. https://doi.org/10.17016/2380-7172.3482

[259] Jakurti, E. (2025). *Wealth inequality, asset price bubbles and financial crises* (World Inequality Lab Working Paper No. 2025/01). World Inequality Lab. https://shs.hal.science/halshs-04934598

[260] Aizenman, J., & Jinjarak, Y. (2012). Income inequality, tax base and sovereign spreads. *FinanzArchiv / Public Finance Analysis, 68*(4), 431–444. https://doi.org/10.1628/001522112X659565

[261] Institute for Economics & Peace. (2020). *Global Peace Index 2020: Measuring peace in a complex world*. https://www.visionofhumanity.org/wp-content/uploads/2020/10/GPI_2020_web.pdf

[262] Barrett, P., Chen, S., Chivakul, M., & Igan, D. (2021). *Pricing protest: The response of financial markets to social unrest* (IMF Working Paper No. 2021/079). International Monetary Fund. https://doi.org/10.5089/9781513572765.001

[263] Hadzi-Vaskov, M., Pienknagura, S., & Ricci, L. A. (2023). The macroeconomic impact of social unrest. The B.E. *Journal of Macroeconomics, 23*(2), 917–958. https://doi.org/10.1515/bejm-2022-0039 . Earlier version: IMF Working Paper No. 2021/135. https://doi.org/10.5089/9781513582573.001

[264] Funke, M., Schularick, M., & Trebesch, C. (2023). Populist leaders and the economy. *American Economic Review, 113*(12), 3249–3288. https://doi.org/10.1257/aer.20202045

[265] Acemoglu, D., Naidu, S., Restrepo, P., & Robinson, J. A. (2019). Democracy does cause growth. *Journal of Political Economy, 127*(1), 47–100. https://doi.org/10.1086/700936

[266] Berg, A., Ostry, J. D., Tsangarides, C. G., & Yakhshilikov, Y. (2018). Redistribution, inequality, and growth: New evidence. *Journal of Economic Growth, 23*(3), 259–305. https://doi.org/10.1007/s10887-017-9150-2

[267] Brueckner, M., & Lederman, D. (2018). Inequality and economic growth: The role of initial income. *Journal of Economic Growth, 23*(3), 341–366. https://doi.org/10.1007/s10887-018-9156-4

[268] Cingano, F. (2014). *Trends in income inequality and its impact on economic growth* (OECD Social, Employment and Migration Working Papers No. 163). OECD Publishing. https://doi.org/10.1787/5jxrjncwxv6j-en

[269] OECD. (2023). *Joining forces for gender equality: What is holding us back?* OECD Publishing. https://doi.org/10.1787/67d48024-en

[270] Peterson, D. M., & Mann, C. L. (2020). *Closing the racial inequality gaps: The economic cost of Black inequality in the U.S.* (Citi GPS: Global Perspectives & Solutions). Citigroup. https://www.citigroup.com/global/insights/citigps/closing-the-racial-inequality-gaps-20200922

[271] World Bank. (2025). *Accelerating access to clean air on a livable planet.* https://www.worldbank.org/en/publication/accelerating-access-to-clean-air-for-a-livable-planet

[272] Gallup. (2026). *How employee wellbeing affects workplace productivity.* https://www.gallup.com/workplace/713057/employee-wellbeing-productivity.aspx

[273] OECD. (2019). *The heavy burden of obesity: The economics of prevention.* OECD Health Policy Studies. OECD Publishing. https://doi.org/10.1787/67450d67-en

[274] Cambridge Associates. (2019, September 18). *Market history* (Managing Portfolios Through Equity Market Downturns series). https://www.cambridgeassociates.com/insight/market-history/

[275] Teulings, C. N., & Zubanov, N. (2014). Is economic recovery a myth? Robust estimation of impulse responses. *Journal of Applied Econometrics, 29*(3), 497–514. https://doi.org/10.1002/jae.2333

TISFD | TASKFORCE ON INEQUALITY and SOCIAL-RELATED FINANCIAL DISCLOSURES

November 2026