Societal divisions

Societal divisions have become a defining political constraint. In many markets, economic insecurity, declining institutional trust, and AI-amplified influence have transformed citizens from periodic voters into continuous political actors. The resulting 'us versus them' dynamics are shaping how authority is built and maintained. In some cases, social policy is no longer primarily redistributive, but more a tool to manage distribution and access to economic and political power across the population. Yet, mishandling or underestimating frustration over such division and inequality risks popular unrest and upheavals, with the potential of creating a febrile environment.

Overview

Societal divisions that surfaced during COVID-19 have hardened into structural fault lines, driven by widening wealth inequality, declining institutional trust, and accelerating technological transformation. These divisions are no longer just a by-product of politics – in some they are shaping how authority is gained, exercised and defended.

We see this trend as having three key components:

- demographic pressures,
- (perceived or actual) wealth and social inequality, and
- information ecosystems.

In 2024, we spoke of the societal and demographic transition that many societies were facing and questioned whether they would be able to successfully navigate through to find a new balance on issues such as immigration, education and reskilling or the availability of healthcare. At this stage, it appears that addressing short-term demands of 'in-group' segments of society is at risk of overriding the longer-term, more structural questions.

Observation

Key trend

Inequality and demographic stress

Deepening economic inequality and demographic division are intensifying competition over finite resources. Globally, the richest 10 per cent hold about three-quarters of total wealth, while the remaining 90 per cent owns roughly two per cent.[15] Wealth is also unevenly distributed across groups: older households hold far more assets than younger ones, and women account for approximately 38 per cent of total economic resources in comparison to 62 per cent of their male counterparts, reflecting persistent gaps in earnings, asset ownership, and labour market participation.[16] These disparities intersect with divides between urban and rural populations and between immigrant and native-born residents. As these pressures grow, demographic and identity groups increasingly organise online to mobilise political influence and shape how resources are allocated.

The issues in the balance for policymakers

Trade-offs

In many systems, societal divisions are not only a social outcome but have become a defining political constraint and/or advantage. Some political leaders and influential non-state actors (e.g., media networks, online platforms, activist groups) are benefitting from an information environment where that can quickly form, separate and harden competing views. Appeals to national identity, cultural preservation, or civilisational threat are increasingly used to mobilise support and define insiders and outsiders. This risks shifting governance away from broad consensus.

What policymakers are doing

Information walls and ecosystems

Control over information pathways is increasingly concentrated in a small number of powerful state and non-state actors – particularly global technology platforms and digital media ecosystems whose reach and resources rival or exceed those of many states. Mobile connectivity is ubiquitous – at least 5.8 billion people worldwide have at least one mobile subscription and average four hours of screentime per day, providing fertile ground for algorithmic curation and targeted amplification to shape discourse and reinforce group think.[17] Algorithmic feeds increasingly produce parallel versions of the "truth" that contest shared facts, fragment public perception, and erode the common ground. Governments and political movements operate within – and at times contribute to – this trend, using social policy

15. World Inequality Lab, World Inequality Report, 2026.
16. World Bank Group, Unrealised Potential: The High Cost of Gender Inequality in Earnings, 2018.
17. GSMA, The Mobile Economy, 2026.

and cultural narratives to consolidate alignment. As a result, the contest over information flows is increasingly shaping public perception, political alignment, and the boundaries of policy debate and action – both within and across sovereign boundaries.

Expectations

Policy trajectory

Demographic dividends and tipping points

The secondary and tertiary effects of differing demographic destinies will increasingly make themselves felt as younger societies see their youth move into prime working years and older societies reach a critical mass at or beyond retirement age. Younger societies, such as across sub-Saharan Africa (over 60 per cent under age 25) and parts of Asia (about 50 per cent under age 25 in India; 40 per cent in Vietnam), are entering peak working-age expansion and could capture a demographic dividend if job creation, education, and social infrastructure keep pace; failure risks heightened instability. Meanwhile, ageing societies, such as China, Japan, South Korea, and much of Europe, face shrinking workforces as the global population aged 65 or above is projected to rise to 1.6 billion by 2050 from 761 million in 2021.[18] Governments able to offset an ageing population.

First order effect

Self-reinforcing cycle

Governing policy that favours a core population of regime supporters risks fuelling inequality and alienation, widening the gap between perceived 'haves' and 'have-nots', and making it more difficult to govern by broad consensus. This may consolidate short-term authority but risks deepening structural grievance, triggering cycles of protest, backlash, and regulatory reversal that make it progressively harder to govern from the centre and thereby increasing the reliance on that political base. The 'Gen Z' protest movements highlighted the potential for cross-border populist backlashes against social and political inequality, with events in one market influencing actions in another. This trend is likely to continue, albeit cyclically.

Second order effect

Information regulation as strategic asset

Technology governance is emerging as a central arena of contest, as regulation of platforms, data, and AI increasingly determines who controls mobilisation, influence, and economic participation. In ageing advanced economies, such as Europe, societal divisions and slower growth are pushing governments toward tighter platform oversight, content regulation, and digital competition as tools to manage cohesion and political legitimacy amid weaking centrist consensus. In younger and fast-digitising societies such as India and much of Africa, where mobile penetration has expanded rapidly and large youth populations spend significant time online, information regulation is becoming a mechanism to manage political mobilisation, social stability, and development narratives. Across governance systems, from democratic to state-led models, digital regulation is evolving from economic policy into a strategic asset.

Questions

In assessing the trajectory of this trend over the next two years, we will be considering the following questions:

1. Will societal divisions become systemically destabilising?

2. Will policy choices prioritise short-term stabilisation of politically influential groups – such as protecting existing welfare, pensions, or subsidies – or shift towards long-term investment in younger cohorts, gender equality, workforce transition, and future productivity?

3. How is AI reshaping the divide between information 'haves' and 'have-nots', and what does this mean for policy legitimacy and governability?

18. UN DESA, World Social Report, 2023.

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