



The Near Future to 2030
and its potential impact on the
Role of International Institutions on Economic Policy

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XV International Colloquium
The Role and Impact of International Institutions on
Economic Theory and Policy
Paris 2-4 May 2018



Background

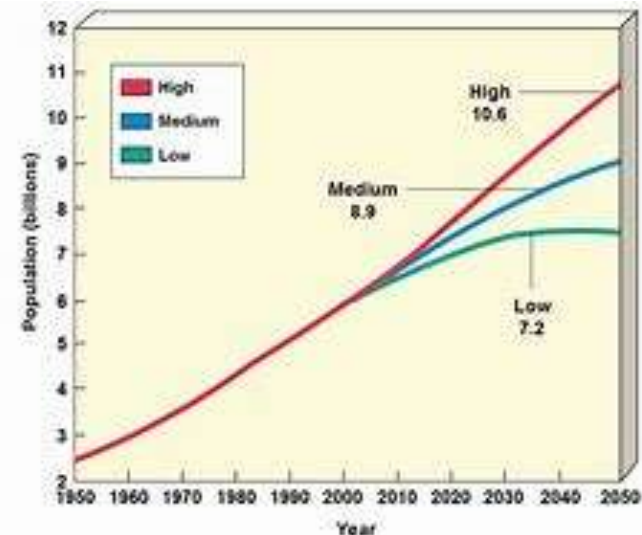
- Post WW II, the role of International Institutions has been pivotal in establishing & maintaining the world order
- UN linked institutions, European institutions
- INGOs and humanitarian organisations
- Professional networks
- Financial, trade and customs unions
- Law & security, energy, maritime -----





But the world is changing

- The post WW II world has seen some dramatic changes
 - Trebling of population
 - Advantageous dependency ratios
 - Urbanisation – now over half of us live in urban areas
 - New industries – transport, health care, education, ICT, energy
 - Changes synergistic and leading to economic growth
- Over the next decade these forces for change will interact in new ways
- And new political, economic, social and technological dynamics are at work
- We call these additional disruptive forces for change the GLOBAL MEGATRENDS





Global Megatrends

- The world is very noisy, many headlines about chaos
- But our world will be shaped by a number of political, economic, social and technological forces which are not making the headlines
 - Though they may be the forces under the headlines
- So we (Tricia Lustig & I) are writing a book to describe these global megatrends and potential implications
 - In a form accessible to people with “day jobs”
 - Who are needing to make strategic decisions on people or capital
- ***“Megatrends and How to Survive them: preparing for 2032”***
 - Why 2032? Election year in both China & US





Trends are not forecasts

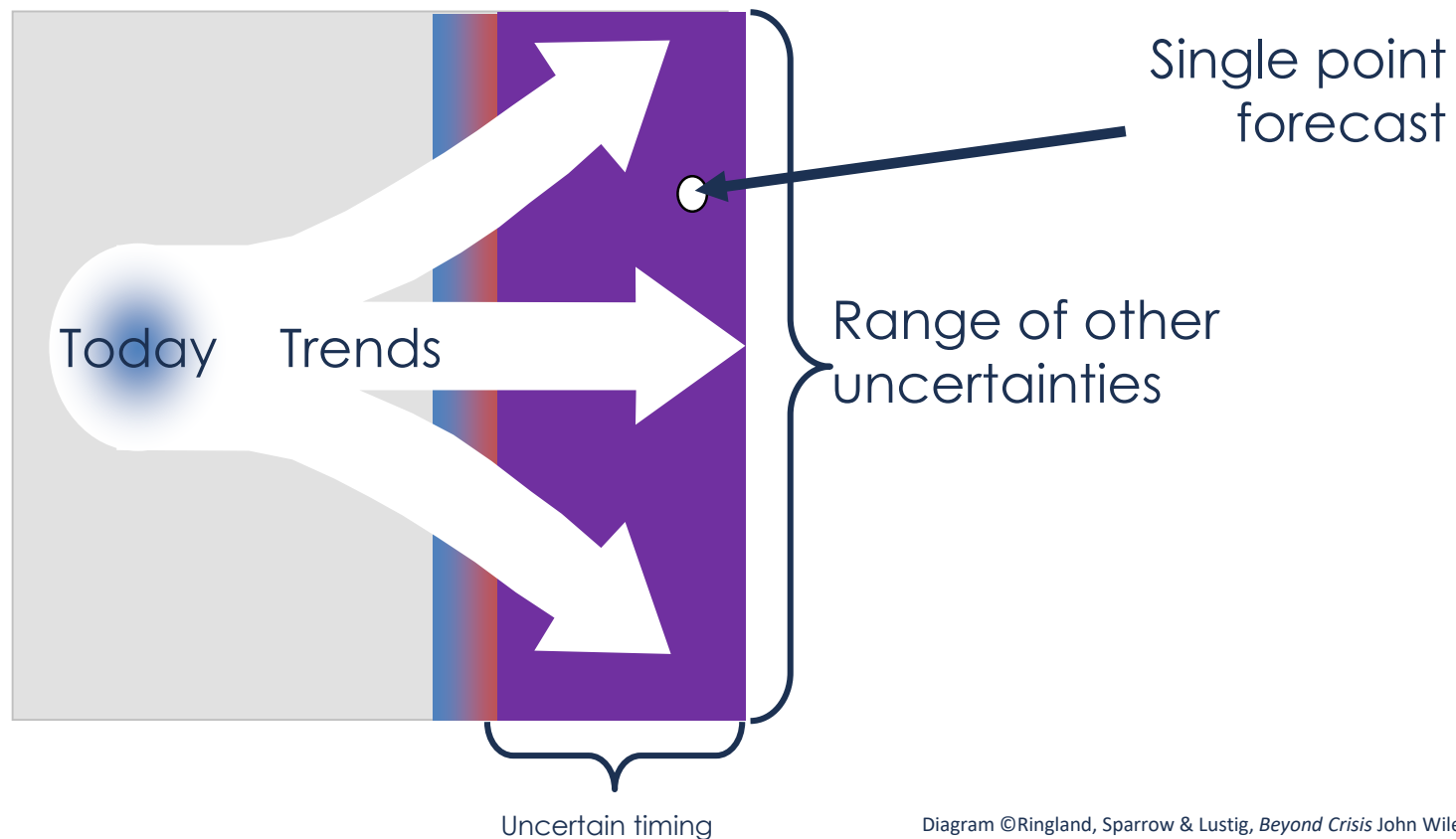


Diagram ©Ringland, Sparrow & Lustig, *Beyond Crisis* John Wiley 2010



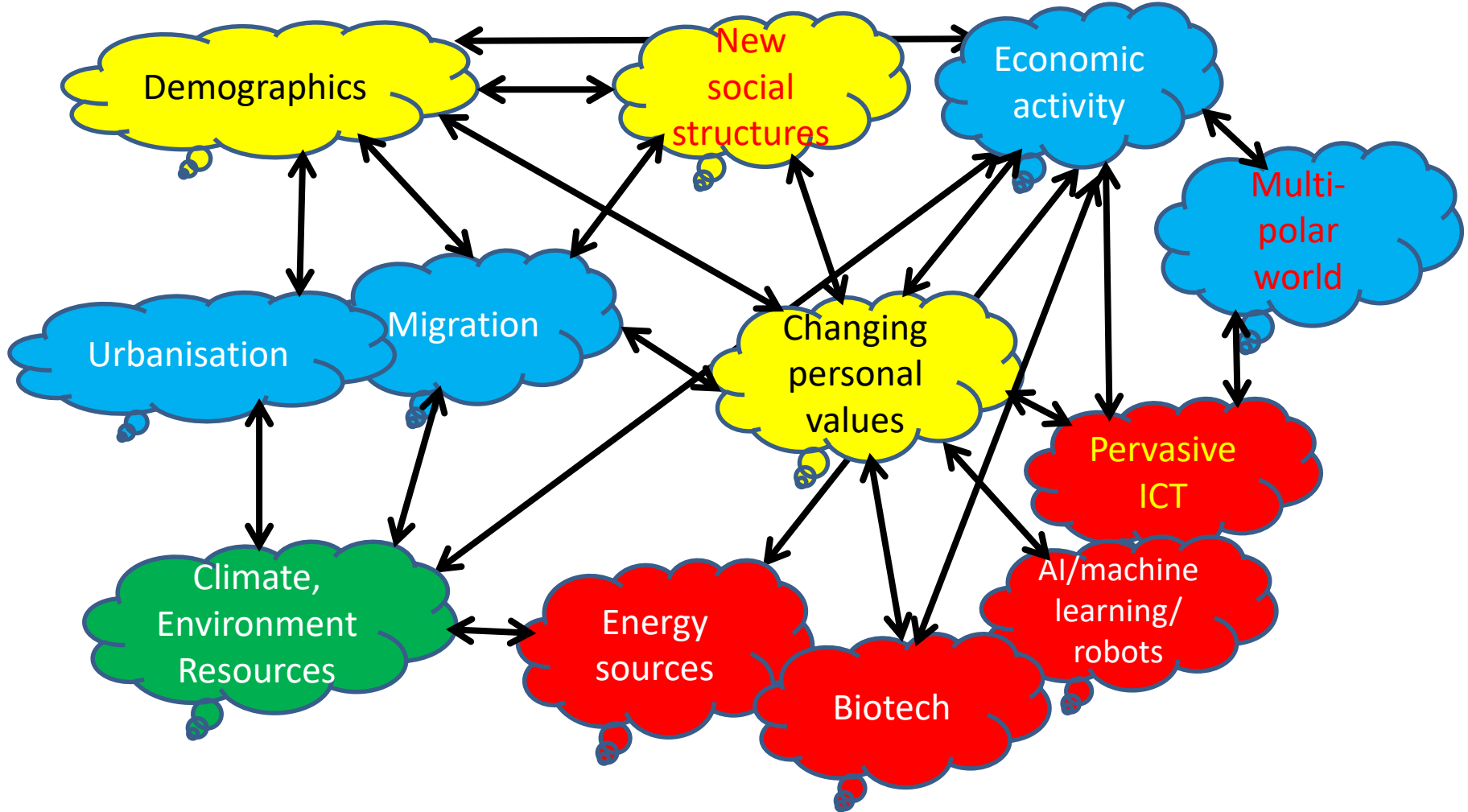
Trends are Important

- Trends provide
 - A framework for assessing the context in which we will live
 - We will use our 12 MEGATRENDS to explore what potential impacts they might have
- Why 12 ? Why these 12?
 - Evolved through our work with different groups across the world
 - You can keep 12 in mind
 - Backed by solid evidence
- Though
 - Not independent from each other!





GLOBAL MEGATRENDS



Political/Economic

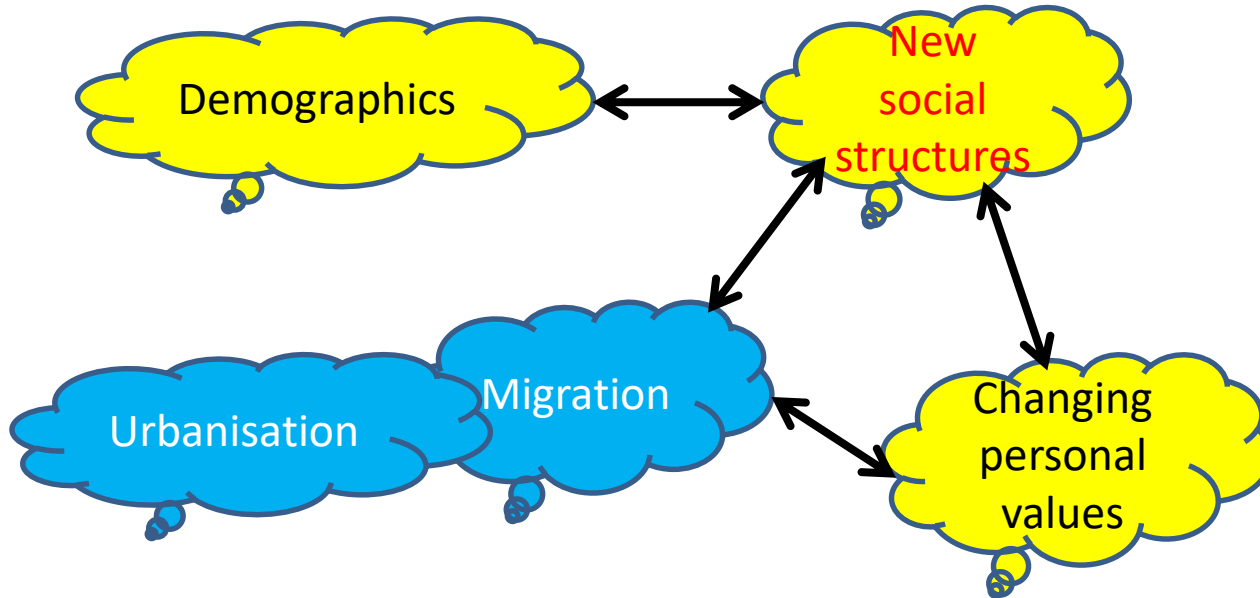
Environmental/tech

Technological

Societal



GLOBAL MEGATRENDS



Political/Economic

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Societal



New social structures

- New family size and structure, linked to
 - Urbanisation
 - Women's education
 - Public health
 - Medical advances
- More people out of basic poverty
 - Able to make choices e.g. migration
 - Role of personal aims and ambitions – generational differences
 - Informal economy in Asia and Africa





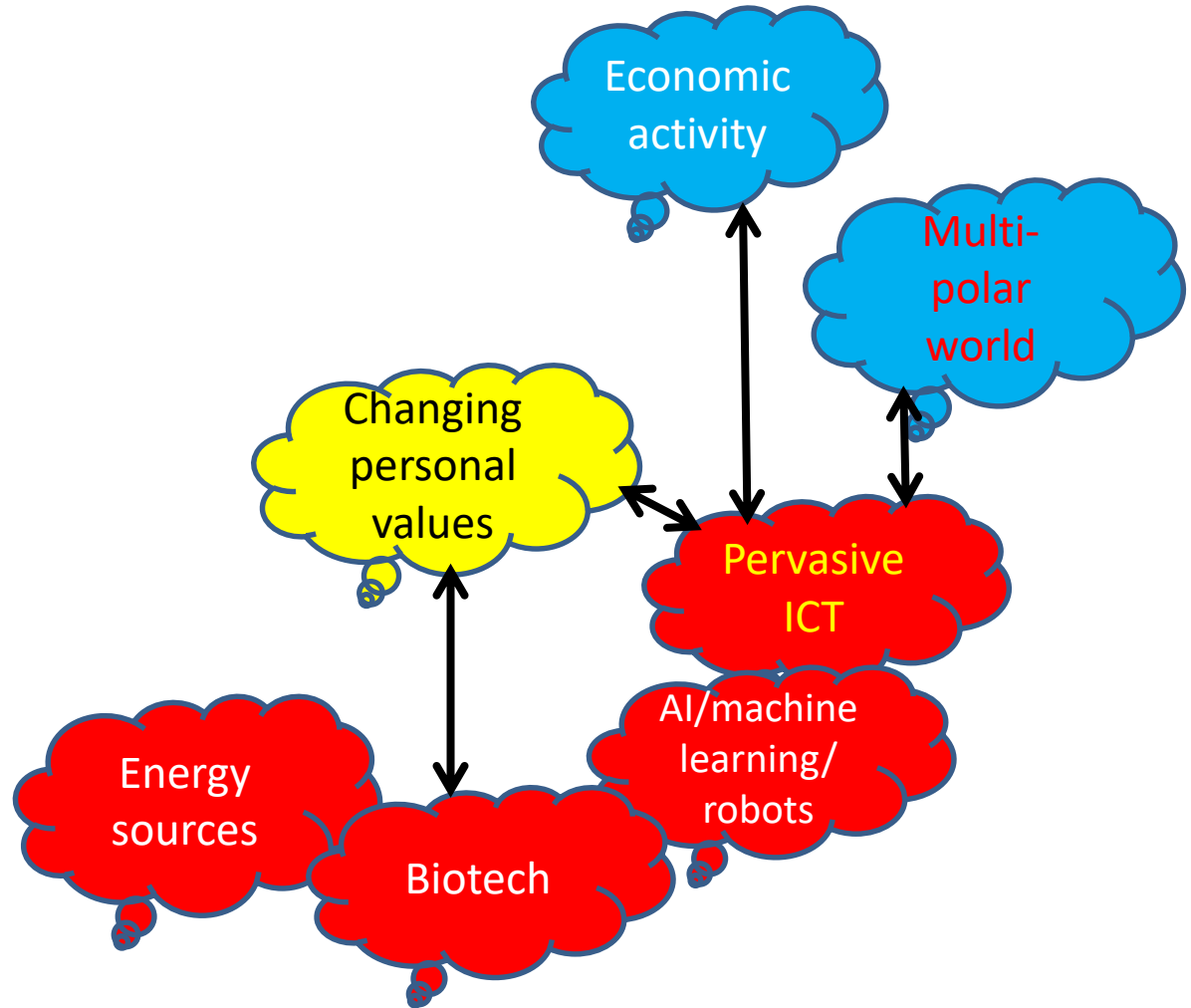
Impact of new social structures on International Institutions

- Changed family structure
 - Increased welfare payments reduce ability of governments to fund international institutions
- Urbanisation
 - Rift between rural political base and new urban powerhouses
- Informal economy
 - Reduced tax base reduce ability of governments to fund international institutions





GLOBAL MEGATRENDS



Political/Economic

Environmental/tech

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Societal



Connected world

- Impact of ICT on cities and agriculture, manufacturing and services
 - Exploitation is on agenda for cities & governments globally
 - Jobs replaced by automation, impact on national tax revenues
- Changing personal aims and ambitions
 - Generations X, Y, Z grown up with ICT and connection – shared global culture
- Global infrastructure e.g.
 - Facebook, Google etc
 - Ability of corporates to relocate, chose where to “earn” revenue & hence pay tax
- Innovation – the knowledge triangle – private sector role
 - Education
 - Research
 - Innovation – application





Urbanisation in a connected world

- Two emerging models
- City States: World re-formed around city states
 - Cities as wealth clusters “brands”: reduced power of nation states
 - Democracy, capitalism and western values competing with other organising concepts
 - Global commons abandoned: conflicts in values, fewer implicit norms
- Affinity Groups: Multiple value systems accommodated
 - Democracy not seen as universal good
 - Complex arrangements of nation states and communities
 - How do international issues get addressed, e.g.
 - regulation,
 - systemic challenges?





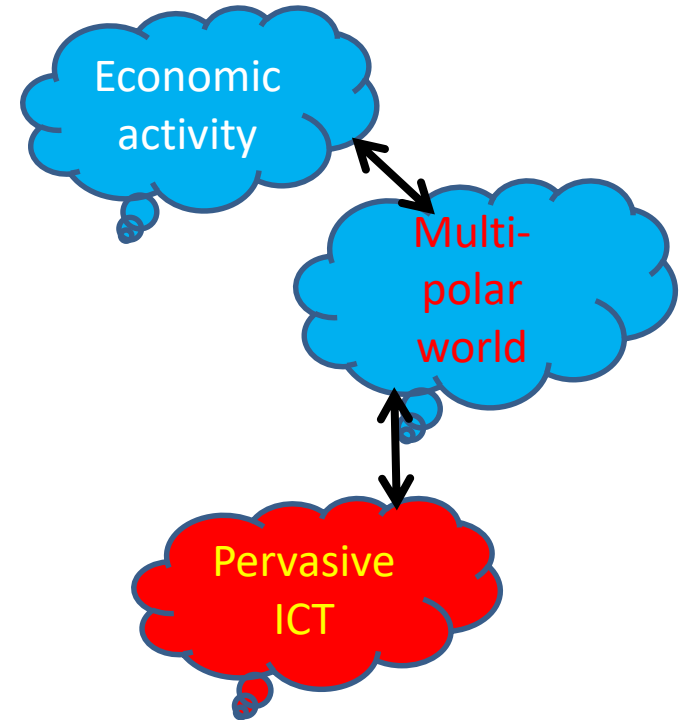
Impact of a connected world on international institutions

- Impact of ICT on cities and agriculture, manufacturing and services
 - Need to work with urban powerhouses and international corporates, City States and Affinity Groups
- Impact of Generations X, Y, Z
 - They all think globally, judge national/regional governments, are ready to migrate
- Ability of corporates to relocate
 - Loss of tax revenue for national governments
- Innovation – the knowledge triangle –
 - Role of private sector, less involvement of governments





GLOBAL MEGATRENDS



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Multi-polar world

- Decline of North Atlantic influence
 - Due to declining share of global economy
 - Regional economies not willing to fill empty space
- Decline of capability of nation state
 - Due to role of ICT, demographics and social changes, role of international corporates, etc
- Influence of China
 - ? City State model?
- Influence of Saudi
 - Affinity Groups model?





Impact of multipolar world on international institutions

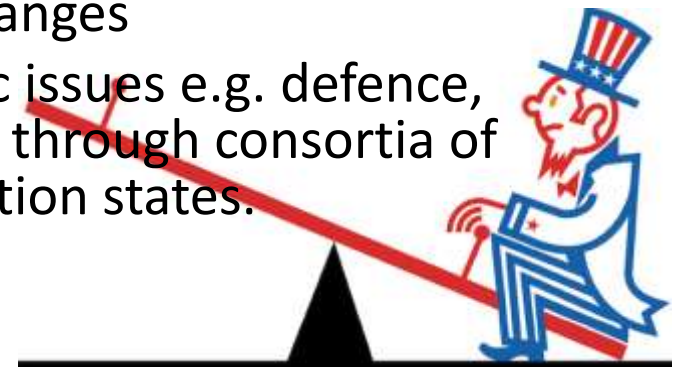
- Decline of North Atlantic influence
 - North America & Europe no longer able/willing to fund to same extent
- Decline of capability of nation state
 - New sources of power & influence
 - City States, Affinity Groups?
- Need for institutions compatible with multiple value systems and sources of power and influence
 - Democracy not a given
 - Market economy not a given
 - Range of social values





Conclusions

- In a multi-polar world, the US and Europe will be less able exercise soft power through international organisations
- Economic policies could increasingly emerge in the context of the connected world and new family structures
- Economic policy might be set regionally, or within Cities, or Affinity Groups, or by default through international corporates
- National governments will be less able and willing to fund international institutions due to societal changes
- International institutions relating to specific issues e.g. defence, cyber security, trade, will survive – possibly through consortia of Cities or Affinity Groups as well as some nation states.





Thank you – and keep in touch!

- If you would like to get our monthly e-newsletter Foresight & Strategy, please give me your business card
- If you would be willing to read a draft of the book ***“Megatrends and How to Survive them: preparing for 2032”*** please give me your business card
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