



Macrotrends and Disruptions shaping 2020-2030.

Vision 2050 issue brief

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Context

In 2010, the World Business Council for Sustainable Development (WBCSD) released Vision 2050, a landmark piece of work that laid out a pathway to a world in which nine billion people are able to live well, within planetary boundaries, by mid-century.

In 2019, WBCSD decided to revisit its Vision 2050 work – 10 years on, there has not been as much progress made along the Vision 2050 pathway as required. WBCSD is working together with 40 member companies to update the pathway to reflect some of the great changes that have unfolded, to bring the pathway in line with the Sustainable Development Goals (SDGs), and to prioritize the critical actions that business can take to unlock the progress required for the kinds of transformations that our Vision 2050 demands.

From the moment we decided to update Vision 2050, we knew we needed to think about what the next 10 years might throw at business. Not just in terms of sustainability challenges: we wanted to explore more generally what the world would look like, and consider how that would affect business' ability to operate successfully (so that they can also operate sustainably).

Our collective ability to deliver on Vision 2050 (9+ billion people living well, within planetary boundaries) is dependent on our ability to understand and navigate

a dynamic operating environment. This means thinking about all the pressures that shape the world we live in, and that business operates in, from demographics and economics, to technology and politics. WBCSD partnered with Volans to explore the world that lies ahead of us. [A comprehensive research paper is available as a companion piece to this issue brief](#), offering the evidence behind our attempt here to summarize the macrotrends and potential disruptions likely to shape that operating environment over the decade ahead.

As with any look into the future, caveats are required! This issue brief, and the research behind it, is not a set of forecasts, predictions or scenarios. We are not trying to put a particular spin – positive or negative – on the analysis. The point is to take a clear-eyed view of what the 2020s might have in store, so that we can develop more effective strategies for how to respond and make progress on Vision 2050. We will need strategies that harness the momentum created by trends that can act as tailwinds; and we will need strategies that are resilient and adaptive in the face of inevitable headwinds.

One such headwind is the COVID-19 pandemic. Just like most other forecasts of recent years, we had identified a pandemic as something that the world would be ill-equipped to deal with were it to occur, not to mention something that was actually quite likely to occur. And yet, we too find ourselves stunned by the arrival of the COVID-19 global public health crisis in the first weeks of

the decade. It is powerfully demonstrating the profound, wide-ranging – and, more often than not, long-lasting – consequences that such disruptions can have.

COVID-19 has triggered multiple disruptive shocks and accelerated many of the macrotrends that we had identified. It has made certain things more likely and others less likely. With both the public health crisis and the linked economic turmoil still unfolding, there remains a high level of uncertainty about what the full ramifications of COVID-19 will be for the decade ahead. But the macrotrends and disruptions covered in this summary have not suddenly gone away. In many cases, COVID-19 may serve merely to accelerate or intensify them. It is therefore essential that we continue to consider the bigger picture at the same time as planning the responses and eventual recovery from the current crisis.

WBCSD is issuing a separate [issue brief that looks in greater depth at the implications of the COVID-19 pandemic](#), both in terms of the macrotrends and disruptions laid out in this paper, and more broadly with regard to lessons learned from past recoveries and therefore how business should respond to this crisis.

Macrotrends & Disruptions

This issue brief outlines the macrotrends and disruptions that could shape the environment business operates in over the next 10 years. It is best read alongside our Issue Brief on the specific impacts of COVID-19 on the decade ahead.

MACROTRENDS

We outline 12 macrotrends set to shape the 2020s. These represent major shifts in the demographic, environmental, economic, technological, political and cultural landscapes that can be foreseen with a relatively high degree of certainty, though their implications are often more uncertain or ambiguous. We then focus in on a subset of the macrotrends to explore this ambiguity and

suggest how the global business community might seek to influence the way these trends play out in order to accelerate progress on Vision 2050. Crucially, too, all the macrotrends are interconnected: how they interact with one another is central to how the next decade will play out. We explore some of these interconnections briefly in the introduction to each landscape.

Macrotrends emerging over the next decade

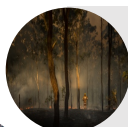
DEMOGRAPHICS



- 1. GENERATIONAL HANDOVER**
Political, economic, cultural & innovation power is shifting.
- 2. POPULATION GROWTH IN ASIA & AFRICA**
Sustaining geopolitical shifts and straining scarce resources.



ENVIRONMENT



- 3. WORSENING CLIMATE IMPACTS**
More frequent and more severe weather becomes harder to ignore.
- 4. LOCAL POLLUTION, DEGRADATION & SCARCITY CREATE IMPETUS FOR INNOVATION**
Loss, suffering, instability, displacement & innovation.



ECONOMY



- 5. SHORT-TERM CRISIS, LONG-TERM SLOWDOWN**
Under-investment, low productivity, weak demand and COVID-19.
- 6. PEAK GLOBALIZATION & THE RISE OF ASIA**
Rival blocs form as economic and political power pivots.



TECHNOLOGY



- 7. AUTOMATION IMPACTS EVERY INDUSTRY & COUNTRY**
Automation changes lives, industries and economies.
- 8. DATAFICATION, FOR BETTER & WORSE**
Smarter, more efficient, more surveilled – massive efficiency and productivity gains come at a price.



POLITICS



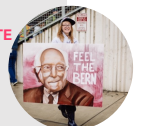
- 9. POLARIZATION & RADICALISM ON THE RISE**
High levels of dissatisfaction create appetite for radical alternatives
- 10. GEOPOLITICAL INSTABILITY**
Weakened multilateralism and nations in decline – the incentives for stability slowly fade away.



CULTURE



- 11. POST-MATERIALISM: ATTITUDES AND LIFESTYLES DIVERGE**
Changing aspirations are helping on-demand service models to spread globally.
- 12. CULTURE WARS ESCALATE**
Cultural clashes (young-old, rural-urban, rich-poor) contribute to polarization and in turn feed off it.



DISRUPTIONS

We propose 10 “wildcard” disruptions that could plausibly materialize during the 2020s, resulting in significant impact. Indeed some of them already have, with impacts still snowballing. However, the wildcards are not all negative – they simply have the potential to significantly disrupt the landscape that business operates in.

The macrorends and disruptions are deliberately not presented as risks and opportunities. Every risk contains the seed of an opportunity within it – and every opportunity the seed of a new risk. What matters is how we respond to and influence the dynamics of the world around us.

Potential “wild card” Disruptions

 <p>1</p> <p>FINANCIAL CRISIS</p> <p>How much will COVID-19 cost, and how will we pay when the next crisis comes?</p>	 <p>2</p> <p>GLOBAL PANDEMIC</p> <p>No country is fully prepared to handle a pandemic, and neither are any economies.</p>	 <p>3</p> <p>MAJOR CONFLICT</p> <p>Cyber attacks, e.g. on critical infrastructure will touch all ordinary citizens in a conflict.</p>	 <p>4</p> <p>AN ECONOMIC “SINGULARITY”</p> <p>What happens when new jobs can't be created where jobs have been destroyed?</p>	 <p>5</p> <p>SOCIETAL “TECHLASH”</p> <p>Society sours on the costs of free tech, treasuries tire of lost taxes and competition.</p>
 <p>6</p> <p>POPULAR REVOLTS & REGIME CHANGE</p> <p>Inequality will continue to rise making more frequent and severe protest likely.</p>	 <p>7</p> <p>A CLIMATE “MINSKY MOMENT”</p> <p>Costs, disclosures, social pressures all reorient financial flows – but how fast?</p>	 <p>8</p> <p>ENERGY TRANSITION TIPPING POINT</p> <p>Market forces lead to fossil fuel demand peaking and the energy transition accelerates.</p>	 <p>9</p> <p>BIOTECH BOOM</p> <p>Disruption comes to food, health and materials as biotech's potential emerges.</p>	 <p>10</p> <p>GLOBAL GREEN (NEW) DEAL</p> <p>Citizens embrace the chance to improve jobs, communities and environments.</p>

① Macrotrends



DEMOGRAPHICS

The global population is growing, ageing and urbanising. By 2030, there will be more than a billion over 65s: 12% of the global population, up from about 8.5% in 2015. Two-thirds of us will live in cities – and a growing number, particularly in Africa and Asia, in megacities (though megacities are expected to account for less than 10% of the total urban population). Migration – both within and between countries – is also increasing.

1. GENERATIONAL HANDOVER: FROM BABY BOOMERS TO MILLENNIALS AND GEN Z



Globally, those born after 1980 now outnumber those born earlier. A generational handover of political, cultural and economic power is already underway and will continue throughout the 2020s. Increasingly, tensions between the different generations are likely to bubble to the surface. These reflect the different formative experiences of different cohorts. For example, those who came of age around the time of the 2007-8 financial crisis tend to be much more skeptical of

free market capitalism than their predecessors who grew up during the Cold War.

The countries with the largest Millennial cohorts are all in Asia, the Middle East and Africa: India alone has 385 million Millennials.¹ Conversely, the countries with the largest Baby Boomer cohorts are in Europe, North America and Oceania: by 2030, roughly 30% of the population of Europe will be over 60.²

2. POPULATION GROWTH IN ASIA AND AFRICA



The populations of many African and Asian countries are predicted to continue rising faster than the global average during the 2020s, contributing to an ongoing shift of geopolitical and economic power in the direction of these continents – and, perhaps especially, the growing number of megacities they contain. This will also put additional strain on natural resources, notably water: four of the five most vulnerable hotspots for potential “water wars” are in Africa or Asia.³

The combination of rising prosperity and the rising frequency and severity of ecological disasters is likely to also make the fast-growing populations of Asia and Africa significantly more mobile than in the recent past. Rates of migration both within and between countries are set to rise steadily. In turn, this is likely to have a major impact on politics – both in countries that see high levels of emigration and in those that see high levels of immigration.

¹ <https://www.kearney.com/web/global-business-policy-council/article/?a/where-are-the-global-millennials->

² <https://www.census.gov/content/dam/Census/library/publications/2016/demo/p95-16-1.pdf>

³ <https://www.weforum.org/agenda/2018/10/where-the-water-wars-of-the-future-will-be-fought>

ENVIRONMENT

As we enter the 2020s, human society is already in breach of multiple planetary boundaries. Our economic, social, political and health systems all have a high level of interdependency with the environment. There is evidence to suggest that the combination of deforestation, biodiversity loss and climate change contribute to an increased risk of zoonotic pandemics. Slower motion environmental crises, such as soil degradation and pollinator loss, are undermining ecosystem services, reducing the economic productivity of key sectors, such as agriculture.

As these multiple, interlinked crises deepen, so the political and cultural appetite for change grows. Public awareness and concern about ocean plastics and climate change surged in the late 2010s. Over the decade ahead, we can expect to see more voters and consumers prioritising environmental issues – particularly where there is a strong, direct link to their own health, as with air quality.

3. WORSENING CLIMATE IMPACTS



As the planet continues to warm, extreme weather events will become more frequent and more severe. This will cause suffering and displacement. It will also impose economic costs – damaging property, undermining livelihoods and reducing the productivity of both land and labour, with those in lower-income countries likely to suffer disproportionately. The likelihood of conflict in regions that are adversely impacted by climate change will increase.

Given this steady drumbeat of bad news, pressure on governments and businesses to deliver meaningful climate action is certain to grow. In turn, this will increase the scale of transition risks (and opportunities) facing some industries, as governments belatedly adopt stronger climate policies. And it's not only green politicians who will reap a political dividend: so too will nationalist strongmen who thrive on the kind of fear and instability that the climate crisis generates.

4. LOCAL POLLUTION, DEGRADATION AND SCARCITY CREATE IMPETUS FOR INNOVATION



Though climate change will undoubtedly be the biggest environmental story of the decade, other, more localised, environmental challenges will also have significant consequences for both business and society. Soil and land degradation will materially impact agriculture in many regions. Air quality will remain a concern in many cities – especially the fast-growing megacities of Asia and Africa – with severe consequences for

public health. Two-thirds of the world population could be living in water stressed countries by 2025.⁴

Like climate, these various ecological challenges will cause suffering, displacement, instability and economic costs. But they should, indeed must, also act as a catalyst for innovation – to do more with less – and fuel demands on governments and businesses to manage natural resources more responsibly.

⁴ <https://www.weforum.org/agenda/2019/03/water-scarcity-one-of-the-greatest-challenges-of-our-time>

ECONOMICS

COVID-19 has transformed the short-term economic outlook, but the longer-term trajectory of the global economy remains deeply uncertain. Given the weaknesses the global economy was carrying before COVID-19 hit (for instance: under-investment, high debt and inequality, slow productivity growth, stranded asset risk), the chances of a swift recovery are slim. But the crisis also creates an opportunity for a political reset that could unlock a wave of sustainable and inclusive growth if policymakers rise to the challenge.

5. SHORT-TERM CRISIS; LONG-TERM SLOWDOWN



The COVID-19 pandemic, combined with an oil price war between Russia and Saudi Arabia has triggered what looks to be the worst economic crisis since the Great Depression. Forecasts from March 2020 suggest that world GDP may fall by 4% or more this year – significantly more than the last global recession in 2009.⁵ Even before the pandemic hit, global growth was slowing and debt levels were high. Several long-term factors, such as low productivity, high inequality and the risk of stranded assets, made a slowdown during the 2020s highly likely. Governments, businesses and households are all likely to emerge from the pandemic with severely weakened balance sheets and increased debts, which could

mean that there is a long economic hangover from COVID-19.

The pandemic has also changed the political equation in many countries. Massive fiscal stimulus packages are now on the table in every country that can afford them. If well targeted, state intervention to kickstart economic recovery could trigger a new wave of sustainable growth as investment is channeled towards decarbonization and other long-term societal goals. But it could also trigger a prolonged period of something akin to 1970s-style stagflation. And there is a risk that parts of the developing world get left behind, because they are in effect unable to bail themselves out from the economic crisis.

6. PEAK GLOBALIZATION AND THE RISE OF ASIA



The global economy's center of gravity is shifting decisively towards Asia – and indirectly to countries and regions that Asia (particularly China) favors. Asia's share of global GDP is forecast to exceed 50% early in the 2020s and continue to rise throughout the decade. Early in the 2020s, Asia will also become home to half of the world's middle class. With this comes a significant shift in the locus of global demand.⁶

Trade tensions will likely remain a feature of the geopolitical landscape throughout the 2020s, spurring fragmentation, a shortening of supply chains and a renewed focus on national self-sufficiency – perhaps accelerated by the impact of COVID-19. Resource nationalism and competition between states for control of vital raw materials are likely to become an increasingly important factor in international relations.

⁵ <https://cebr.com/reports/a-world-recession-is-now-almost-a-certainty-with-global-gdp-set-to-decline-twice-as-much-as-during-the-financial-crisis-the-challenge-now-is-to-prevent-the-recession-from-turning-into-a-1930s-style/>

⁶ <https://www.ft.com/content/520cb6f6-2958-11e9-a5ab-ff8ef2b976c7>

TECHNOLOGY

COVID-19 has accelerated – and will continue to accelerate – the deployment of a wide range of existing technologies. E-commerce, remote working, online learning and telemedicine have all received a boost that will only partly dissipate after the crisis passes. The race to develop a vaccine is turbo-charging technological innovation in the pharmaceuticals sector. Automation of production and distribution processes is accelerating as a way of restricting the spread of the virus in the short term – and to make supply chains more resilient to the kind of shock a pandemic creates in the longer term (though, ironically, this may increase vulnerability to different kinds of risks, such as cyberattacks). Meanwhile, key technologies in different areas – from biotech to renewable energy – are developing along exponential pathways that could lead to economic tipping points during the 2020s (see disruptions 8 & 9).

A vital question is how equitably the gains of technological progress will be shared. Many digital technologies create winner-takes-all dynamics, which, in the absence of countervailing interventions from government, will tend to increase both market concentration and inequality. There are some signals that governments may step up on this issue during the 2020s: the EU's approach to antitrust enforcement and the OECD/ G20's work on tax avoidance are promising in this regard, but much more will be needed if technological progress is to fuel inclusive growth rather than exacerbate inequalities.

7. AUTOMATION IMPACTS EVERY INDUSTRY AND COUNTRY



The spread of automation in every industry – from manufacturing to finance – will accelerate, driven by the growing maturity of a wide range of technologies such as artificial intelligence, robotics and 3D printing. All of these have the potential to enable smarter and more sustainable use of resources – and to fuel future growth.

Automation will also cause disruption for many workers and put further strain on the link between work and economic security in many places. One legacy of COVID-19 may be a strengthening of social safety nets, which would help mitigate the impact of automation on workers.

But if, conversely, COVID-19 ushers in a new era of austerity, there is a high risk that automation will lead to rising inequality within countries, fueling anger and disillusionment, and fanning the flames of populism. Regular re-skilling will become a requirement for most. Supply chains, too, will be reshaped – and, in many cases, shortened – as access to leading-edge technologies becomes more critical for both manufacturing and services than access to a cheap, skilled workforce.

8. DATAFICATION: SMARTER, MORE EFFICIENT AND MORE SURVEILLED



For better and worse, business, finance and government will all become much more data-driven. This should enable massive resource and labor productivity gains across industries – particularly in areas such as manufacturing, food production and logistics – that have the potential to create wealth and reduce environmental impact. The finance sector will increasingly harness the power of Big Data and AI to assess potential loans and investments: if these are used to help assess sustainability impacts, this could help trigger a reorientation of financial flows in support of sustainable development. And we will inevitably see new levels of surveillance and manipulation in service of both profits and power: ‘Surveillance Capitalism’ as well as the Surveillance State.

In the absence of a societal and regulatory “techlash” (see disruption 5 below) that leads to much more stringent enforcement of antitrust and data privacy/ownership rules, Big Tech will continue to amass citizens’ data and turn it into megaprofits. Without regulatory changes, winner-takes-all market dynamics are likely to fuel inequality and stifle competition. Algorithmic bias could compound the situation by perpetuating and worsening inequalities. It is clear that COVID-19 has accelerated the deployment of surveillance technologies in several countries – from China to Israel. There is every chance that emergency measures will become permanent post-crisis.

POLITICS

There is no obvious end in sight to the increase in polarisation, populism and nationalism that has been a defining characteristic of the second half of the 2010s. The initial response to COVID-19 around the world has often highlighted the strength of nationalism and the weakness of multilateralism. There will be opportunities, in the aftermath of the current crisis, to rebuild a more effective global order, but at present it appears more likely that governments will turn their attention inward, focusing on fostering recovery at a national level. Relations between states are likely to become more transactional and, in some cases, more hostile. On a more positive note, the gradual handover of political power to a generation whose political views have been forged in a world where the climate crisis and inequality are top priorities (see macrotrend 1) may lead to a much greater prioritisation of these issues by governments as the 2020s progress.

9. POLARIZATION AND RADICALISM ON THE RISE



The social, environmental and economic disruptions that lie ahead will lead to a world that is more polarized and a politics that is more radical. Levels of dissatisfaction with political and economic elites are high – and have been for some time: a 2017 survey of 18,000+ people across 23 countries found that 71% of people agreed with the statement “my government does not prioritize the interests of people like me.”⁷

This will drive defenders of the status quo to embrace ever more reactionary positions. Meanwhile, those with less to lose will be increasingly open to radical alternatives. Just as the 1930s produced both the Third Reich and the New Deal, the 2020s will likely offer up a combination of resurgent populist nationalism and Green New Dealism.

10. GEOPOLITICAL INSTABILITY



The rise of populist nationalism around the globe has significantly weakened multilateralism as nationalist leaders tend to be hostile towards international institutions and treaties. They also tend to ignore the complexity of the modern world and have little time for defending the interests of allies or investing money and lives to maintain stability. Electorates in some countries may punish populist leaders at the polls for their lack of competence in the face of a public health emergency, but elsewhere COVID-19 has clearly accelerated a drift towards nationalist authoritarianism. In addition, COVID-19 is giving populist regimes

and administrations an excuse to double down on existing agendas that were likely to lead to decreased global stability (for instance the financial and environmental deregulation that we see taking place).

While US-China rivalry dominates headlines, there are many other potential sources of instability: from Russia and North Korea to Iran and Venezuela. Nations in relative decline and those whose long-term prospects are threatened by economic, social and environmental change have less incentive to adhere to the global rules and norms that underpin stability.

⁷ <https://www.slideshare.net/IpsosMORI/ipsos-global-trends-2017>

CULTURE

Cultural change will be fundamentally shaped by shifts in other areas. For example, urbanisation (and the increased mobility of populations within and between cities) should accelerate a shift in cultural preferences from ownership to sharing. COVID-19, in exposing society's interdependence, may cause some societies to become less individualistic and focus more on collective rights and responsibilities, particularly in relation to health, hygiene and privacy. As the climate and biodiversity crises get worse, particularly in terms of their impact on lives and livelihoods, environmentalism and environmental justice's cultural and political clout is set to rise. Though by no means universal, this will change attitudes to what and how we consume for a significant minority of the global population and may trigger at least a partial closing of the gap between what consumers say about sustainability and how they act. Rising levels of migration (resulting from climate change or other factors) may also fuel political discord, since immigration is often a key issue for populist nationalists, even if anti-immigrant politics often has little to do with actual immigration numbers.

11. MATERIALISM AND POST-MATERIALISM: ATTITUDES AND LIFESTYLES DIVERGE



The ways in which individuals measure their status and success varies dramatically across countries. 70% of Chinese say they measure their success by the things they own. Only 21% of Swedes and Spaniards agree.⁸ In developed economies, and particularly among younger age cohorts, more people are starting to value experiences and access over ownership of material goods. Lifestyles are adapting to a growing consciousness of planetary boundaries – at least among some demographic groups. Interest in wellness, healthy eating, quality of life and self-improvement is on the

rise, and some of the middle-class behaviours of mass quarantines around the world (ranging from frugality to “staycationing”) will gain popularity.

The consumerist lifestyle retains a strong appeal in many parts of the world where people have not yet had a chance to enjoy it, however. Economics is not the sole determinant of this divergence: in Peru, just 30% of people measure their success by what they own, which is roughly equivalent to the levels in Germany (31%) and Australia (29%) – countries whose per capita GDP is almost four times higher than Peru's.

12. CULTURE WARS ESCALATE



Values divides are deepening and ossifying within many nations around the world. Polarising events – from the Brexit vote in the UK to new Citizenship Laws in India – are both a symptom and cause of these divides. A polarised and fragmented (social) media landscape also exacerbates the trend. There is no single issue that defines the new culture wars: they are about attitudes to race, religion, immigration, gender, sexuality, place, globalism, nationhood and more.

These cultural splits map imperfectly onto demographic divides: in many countries, there is an urban-rural and/or old-young dimension to these culture wars; often education level is a strong predictor of people's cultural views. The culture wars contribute to political polarisation and in turn feed off it. Given this reinforcing feedback loop, there is a risk that clashes over identity will intensify in the decade ahead.

⁸ <https://www.slideshare.net/IpsosMORI/ipsos-global-trends-2017>

② High-level implications of the macrotrends

What do these macrotrends mean for Vision 2050? Certainly, some have the potential to blow us off course if not well managed. But others could feasibly be harnessed to accelerate progress. Here we explore six of the trends (clustered into three topics) that are ambiguous in terms of their implications and which raise important strategic questions for the Vision 2050 agenda.

THE POLITICS OF GENERATIONAL HANDOVER (MACROTRENDS 1 & 9)

The demographic rise and fall of generations is a constant in human society, so what makes the generational handover that will unfold during the 2020s notable? Old and young always see the world differently, but, in some important ways, the interests and opinions of today's old and young are further apart – and potentially in greater tension with one another – than in previous decades.

For Millennials and Gen Z, their formative years have been dominated by the fallout from the 2007-8 crash – and now the COVID-19 pandemic. They have grown up with the awareness that climate chaos in their lifetimes is highly likely unless radical changes to the global economy are implemented.

This context has resulted in many Millennials and Gen Z being deeply disenchanted with the status quo (including with 'capitalism') – though there are exceptions to this, notably in fast-growing economies such as Indonesia. While all generations

tend to get more conservative with age, there is a good chance this trend will be less pronounced amongst those currently under 40, precisely because they have been economically squeezed and know that, on current trajectories, they will live out their old age in a world severely disrupted by climate change and biodiversity loss.

The political consequences of this particular generational handover could therefore be profound – but it is not certain how this will play out during the 2020s. There are three plausible scenarios:

1. Millennials and Gen Z fail to register as a significant political force during the decade – because they “fall in line”, don't turn out at elections reliably enough and/or because they are too fragmented. In this scenario, the 2020s are dominated by the increasingly conservative politics of the baby boomers. Another variation of this scenario involves Millennials in particular simply being “skipped”, as boomers continue to cling to power all around the world. This could lead to a rapid rise in the influence and power of Gen Z, as they mobilize in order to avoid being left behind in the same way as the millennials before them.

2. Millennials and Gen Z are a destabilizing force due to high levels of disaffection with the status quo. In this scenario, their influence makes politics more extreme and polarized; compromise, coalition-building and multilateralism all become harder.
3. Millennials and Gen Z become the electoral bedrock of effective progressive governments, which prioritize issues like economic reform and addressing climate change. In this scenario, they channel their dissatisfaction into advocacy for governmental interventions that address social inequality and environmental damage.

From the perspective of Vision 2050, scenario 3 is clearly the most favorable. Crucially though, it requires both businesses and governments to demonstrate that a credible reformist alternative exists.

AUTOMATION, JOBS AND THE ECONOMY (MACROTRENDS 5 & 7)

In many countries, the link between work and economic prosperity has been weakening for a generation, with a narrow economic elite capturing an outsized share of the new wealth created by productivity gains. A combination of forces – technological change, globalization, the declining power of trade unions and a relentless focus on shareholder value amongst many firms – has led to stagnant wages and increasingly precarious forms of employment for many workers. From gig economy workers in the US to migrant laborers in India, the economic impact of COVID-19 is hitting many of these same people hardest.

Technology and trade may make societies wealthier in aggregate, but, in the absence of effective redistribution, they make some individuals and communities significantly worse off – either in absolute terms or relative to other regions and socioeconomic classes. This has been a vital factor in the rise of populism, nationalism and the rejection of globalization – notably in the US, but also elsewhere.

Unfortunately, the economic policies being pursued by populist leaders around the world today are unlikely to change this – and, in some instances, will make things worse. Trade wars will inflict economic harm on those who have benefited from globalization (in both developed and developing countries), without necessarily making life better for those who have not.

Alternative paths are possible. Automation will continue to cause disruption to jobs, but businesses and governments could act to mitigate the adverse societal impacts of this trend by building stronger social safety nets, redistributing wealth and moving to a more stakeholder-oriented form of capitalism.

COVID-19 has triggered a temporary strengthening of social safety nets in some countries. Governments have acted out of necessity and many of the emergency measures adopted in the early months of 2020 are not financially sustainable over the long term. But, by making the previously unthinkable inevitable, COVID-19 may have increased the likelihood that workers, employers and governments will find new ways to share the risks and rewards associated with automation more equitably.

NATIONALISM AND GLOBALISM (MACROTRENDS 10 & 12)

The resurgence of political and cultural nationalism that has occurred over the last decade shows no sign of fading. This has weakened multilateralism – and will almost certainly continue to do so. Having populist nationalists in power increases the risk of war breaking out between nations and it creates a context in which violent extremists within society feel emboldened.

Conventional wisdom would suggest that this is bad news for the Vision 2050 agenda – and indeed in many ways it is. Sustainability issues (particularly climate change) have to a certain extent been caught up in the culture wars that are raging in many countries. Advocates of sustainable development are often perceived (by themselves as well as by others) as globalists – people who value their identity as “citizens of the world” highly; who are prouder to be “woke” than to be patriotic.

There are, however, opportunities as well as risks for the Vision 2050 agenda in all this, particularly if the achievement of sustainable development priorities can be hitched to feelings of national identity and pride amongst citizens, and to political objectives of national security and competitiveness.

Aspects of the Vision 2050 agenda will still require multilateralism and business should work to strengthen multilateral processes and institutions where it can. But much of the transformative change required can happen at a national or even sub-national level, and while this may create complexity for multinational businesses that operate across multiple jurisdictions, it may also create opportunities for faster progress in many areas.

③ Disruptions



Disruptions

The first few months of 2020 have powerfully demonstrated that wildcard disruptions do happen – and can have profound consequences. When we first compiled this list in late 2019, the term “wildcard” seemed appropriate for a global pandemic. Not so much anymore.

The decade ahead will doubtless have more wildcards in store. Not everything on this list will come to pass during the 2020s, but all are plausible enough that they warrant thinking about and, to the extent possible, preparing for. Not all are bad – and, even those that are have the potential to catalyze positive changes, just as previous crises have.

As with the macrotrends, there are many potential interlinkages between these disruptions. Domino effects – where one disruption triggers others – are one possibility. For example, we are currently living through a global pandemic (disruption 2) that may yet trigger a financial crisis, mass unemployment, a major conflict and/or popular uprisings that lead to regime change (disruptions 1, 4, 3 & 6 respectively).

In the slightly longer term, COVID-19 may also have increased the likelihood of a tipping point for the global energy transition arriving during the 2020s (indeed some analysts now believe that fossil fuel demand may have peaked in 2019),⁹ which could in turn trigger a sudden correction in the way financial markets price climate risk (disruptions 7 & 8).

The fact that the tech giants will almost certainly emerge from the current economic crisis in an even stronger position relative to (potential) competitors may increase the plausibility of a regulatory backlash later in the decade (disruption 5). Meanwhile, increased awareness of the links between agriculture, deforestation, biodiversity loss and the risk of zoonotic pandemics like COVID-19 could provide a following wind for the biotech industry, accelerating the shift in food production from land to laboratory (disruption 9).

Finally, while COVID-19 may in the short term have distracted global leaders from dealing with climate change, it may also have wrought a lasting shift in citizens' expectations about the role of government in responding to crises and intervening in economic life to ensure outcomes that benefit society. Combined with the need for major public investment to stimulate economic recovery, this could create the conditions for something like a Global Green (New) Deal to emerge during the 2020s (disruption 10).

In short, while none of this is guaranteed, the COVID-19 pandemic could yet act as a trigger for every single other disruption on this list during the decade ahead.

Please note, we have issued a separate [Vision 2050 issue brief exploring the long-term consequences of COVID-19](#) in more depth.

⁹ <https://carbontracker.org/was-2019-the-peak-of-the-fossil-fuel-era/>

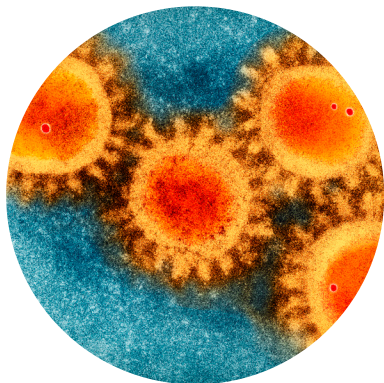
1. FINANCIAL CRISIS



The combined effect of countries going into lockdown to slow the spread of COVID-19 and an oil price war between Russia and Saudi Arabia has precipitated one of the fastest, deepest stock market crashes in history – and that’s just Q1 2020. Unlike in 2007–8, when monetary policy (e.g., quantitative easing and interest rate cuts) mostly took the strain of reviving the global economy,

governments have already had to roll out unprecedented fiscal measures in response to the coronavirus-induced crash – and there will be much more stimulus to come. A lot is riding on how well targeted government bailouts and stimulus packages are – including how resilient the economy is when the next crash comes, as it inevitably will.

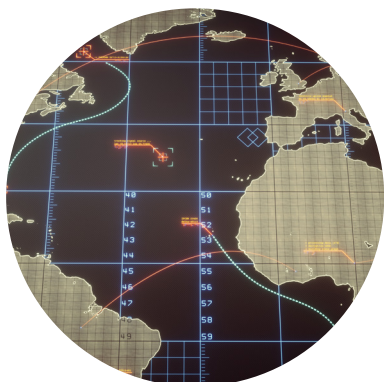
2. GLOBAL PANDEMIC



At the time of writing, the number of confirmed cases of COVID-19 continues to rise exponentially in many countries around the world. It is likely to continue causing loss of life and disruption to societies and economies for months – if not years – to come. And COVID-19 did not come out of nowhere. The past 20 years have seen five potential pandemics – SARS, H1N1, Zika, Ebola and MERS – all of which were only one genetic mutation away from being as

disruptive as COVID-19. We may yet see further pandemics in the decade ahead, with the same potential to overwhelm healthcare systems, disrupt supply chains and shut down economies and societies for a period of time. Clearly there are lessons to be learnt that could improve resilience in the face of the next pandemic. Whether or not governments and businesses heed those lessons remains to be seen.

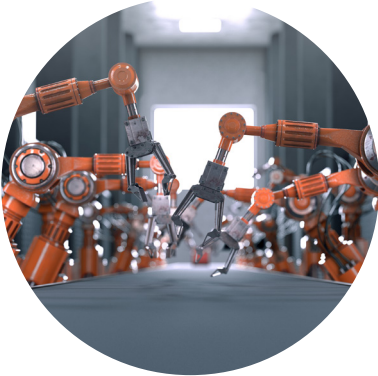
3. MAJOR CONFLICT



The possibility of a serious conflict between two or more nations with powerful militaries and deep pockets cannot be ruled out. Were such a conflict to break out, it is likely that cyber-attacks on critical infrastructure would feature heavily in the tactics of the warring nations (indeed, arguably, there are already multiple cyberwars raging around the world). In an age of growing cyber-dependency, this could cause very significant

harm and loss of life amongst ordinary citizens. So too could the deployment of nuclear, biological or chemical weapons. As happened in the Second World War, such a conflict would likely trigger a full mobilization of society and the economy in service of national war aims in those countries involved – and would produce a spirit of social solidarity within and between nations not seen since the 1940s.

4. AN "ECONOMIC SINGULARITY" LEADING TO MASS UNEMPLOYMENT



Estimates about the impact of automation and artificial intelligence on the number of jobs in the global economy vary so wildly that it's best to take any forecast with a large pinch of salt. But what if those forecasting an imminent collapse in the total number of jobs – sometimes referred to as an economic singularity – are right? Even if, in the long run, technology creates as many new jobs as it destroys, the risk of some regions and sectors suffering a prolonged

period of severe unemployment is high. And, as the COVID-19 crisis demonstrates, automation is not the only factor that can trigger a period of mass unemployment. The risk of a prolonged period of mass unemployment – whether as a result of automation, a pandemic or another factor – has significant implications for political stability: governments will likely struggle to cope with the fallout and this could fan the flames of radical politics and populism of both left and right.

5. "TECHLASH"



In the two decades since the dotcom bubble burst, the tech sector has had an easy ride. Societies have embraced new technologies with minimal hesitation and regulators have thrown relatively few roadblocks in the way of tech companies doing what they want. That may now be changing. There is rising disillusionment and dissatisfaction in many countries with the way digital technologies are being used to serve the interests of a narrow economic and/or political elite. Consumers are more aware of the negative impacts of technology on health and wellbeing. Concerns about privacy and data

ownership are on the rise, though governments are not always as concerned about privacy as their citizens are. Competition enforcement has become an increasingly hot topic in the EU and the US. New rules about the legal status of "gig economy" workers and the responsibilities of social media companies for the content they host could undermine the viability of platform business models. And then there's the impact of geopolitical rivalry: the furore over Huawei could be a foretaste of things to come, with governments blacklisting foreign firms and alliances strained as a result of having to pick sides.

6. POPULAR REVOLTS LEADING TO REGIME CHANGE



Rising inequality within countries and a perceived lack of responsiveness from political elites is fueling a diverse set of (mostly non-violent) protest movements around the world. Given that the underlying causes of these popular uprisings look set to worsen during the 2020s, it is highly likely that both the frequency and severity of protests against the status quo will rise. The vital unknown is how effective they

will be: the 2010s saw a dramatic decline in the success rates of nonviolent campaigns demanding systemic political change.¹⁰ But there is no guarantee that this trend will continue: as citizens become angrier and more disaffected, we could see seemingly stable political regimes across the world either toppled or forced to act much more strongly in response to citizens' demands.

7. A CLIMATE "MINSKY MOMENT"



Over the course of the 2020s, there is little doubt that financial markets will get better at pricing both transition and physical climate risks into asset valuations. (Other environmental, social and governance issues are also increasingly on the financial industry's radar, but climate is the issue most likely to lead to a rapid and dramatic repricing of assets in the near future.) There is a good chance climate-related financial disclosures will become mandatory at some stage in the first half of the

decade. Technologies that enable greater transparency into asset-level data are also developing fast. As the quality of information available improves and the potential losses to investors become both larger and more imminent, a major – and potentially sudden – reorientation of financial flows becomes increasingly likely. This could trigger a so-called climate "Minsky Moment": a sudden downward revision of asset valuations in carbon-intensive sectors.

8. ENERGY TRANSITION REACHES A TIPPING POINT



Energy transition watchers are divided into two camps: those that expect gradual change and those that predict a much more rapid technology- and/or policy-driven disruption over the coming decade(s).¹¹ If the latter group is right, then we can expect to see demand for fossil fuels peak and begin to fall during the 2020s, which would have profound implications for the energy industry, investors and, of course, climate change. The speed and scale of cost reductions in the renewable energy sector over the last decade have consistently exceeded expectations, and

renewables are now at or close to cost competitiveness with fossil fuels in many parts of the world.¹² Depending on how quickly those cost reduction curves bottom out, an economic tipping point may be closer than most analysts think. This does not mean that the switch will happen overnight: it will still take time to build out capacity and infrastructure, and governments and businesses that continue to invest in fossil fuel capacity today (for example, China's financing of coal power production) will try to avoid writing down stranded assets as long as they can.

¹⁰ https://www.researchgate.net/publication/316474594_Trends_in_Nonviolent_Resistance_and_State_Response_Is_Violence_Towards_Civilian-based_Movements_on_the_Rise

¹¹ http://www3.weforum.org/docs/WEF_the_speed_of_the_energy_transition.pdf

¹² <https://www.generationim.com/sustainability-trends/sustainability-trends-2019/>

9. BIOTECH BOOM



Synthetic biology has significant potential to transform food production, medicine and materials manufacturing. In some of these areas we may see non-linear progress during the 2020s as costs decline exponentially. For example, one recent report on the food industry predicted that beef produced in a lab, using a process called 'precision fermentation', will become cost competitive with traditional beef from cows in the early 2020s and could be as much as five times cheaper by

2030.¹³ The implications could be profound for the agriculture industry, as well as for human health and the environment. Vast tracts of agricultural land could be opened up for other uses. Meanwhile, in the health sector, synthetic biology is being used to develop gene therapies and personalized medicines, while the plastics industry is increasingly investing in bio-based alternatives.

10. GLOBAL GREEN (NEW) DEAL



Just like the 2000s, the 2010s finished with a disappointing set of climate talks (COP15 in Copenhagen in 2009; COP25 in Madrid in 2019). But there is a significant chance that the 2020s will see a breakthrough in global climate policy action – though whether or not this will happen through the mechanisms of the Paris Agreement or not remains an open question. From the EU's Green Deal to South Korea's announcement of a net-zero target, momentum is building in large economies across the world. This is despite unfavorable political shifts in some key countries (e.g.,

US, Brazil, Australia) since the Paris Agreement, and the continued resistance of states like Russia and Saudi Arabia. While the latter are likely to remain resistant to climate policy action for the foreseeable future, there is every chance that, post-Trump, the US will step (back) into a leadership role on global climate action during the 2020s. Across the globe, citizen activism is likely to be a key driver of political action – and the steady drumbeat of extreme weather events will keep climate change high in public consciousness and on the political agenda for most governments.

¹³ <https://www.rethinkx.com/food-and-agriculture>

Conclusion

This analysis of macrotrends and potential disruptions shaping the 2020s is just one strand of the Vision 2050 Refresh Project, designed to inform the development of a clear action agenda for senior decision-makers in the business community. To repeat: this document should not be read as a forecast for the decade ahead, but rather as context for – and input to – the development of strategies and approaches capable of harnessing momentum and adapting to both predictable and unpredictable changes in the operating environment.

Business has a vital role to play in ensuring the 2020s are a decade in which meaningful progress towards Vision 2050 is made, but business cannot act alone. It must work in partnership with stakeholders across government and civil society to mitigate risks and seek out opportunities to act in ways that deliver transformational, rather than simply incremental, progress towards the goal of 9+ billion people living well, within planetary boundaries. These kinds of exponential shifts can only be brought about when a critical mass of actors are all working towards the same common goals. It being “the right moment” or “the last chance” for sustainable development to be embedded in societal thinking and planning, will not, alone, result in any meaningful progress.

Nonetheless, the fact that so much of sustainability strategy is rooted in better risk management and greater resilience, means that a wealth of existing thinking can be quickly applied to responding to the current crisis in support of a more sustainable and equitable recovery.

The update of WBCSD’s Vision 2050, to be finalized later in the year, will provide these stakeholders with prioritized areas of action and collaboration, outlining the innovations, investments, policies and behaviors that will need to be encouraged, supported and incentivized in service of the transformational systems changes that our Vision 2050 demands.

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Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Since 1995, WBCSD has been uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability: united by our vision of a world where more than 9 billion people are all living well and within the boundaries of our planet, by 2050.

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