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**THE WORLD IN 2030:
WHERE ON EARTH ARE WE HEADING?**
A Discussion Starter

EAMONN KELLY, CHIEF FUTURIST
SEPTEMBER 2020



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Introduction

The world has never been certain, stable or simple. But it has arguably seldom been as uncertain, dynamic and complex as it is today.

Enormous shifts have been accelerating change for decades now, in our economies, communities, lives and work. Making sense of the future with so much ongoing volatility is, to say the least, challenging – and the COVID-19 pandemic renders it hard just now to even predict the present. Yet business leaders cannot be paralyzed by the ambiguity and messiness of our times. While accurately predicting the future is not possible – we **can** imagine it, by considering the fundamental dynamics and clear

patterns that have shaped the present, and we can prudently assume will continue to meaningfully inform our forward path.

This paper offers one perspective on some of the most critical factors at work today and suggests some (perhaps provocative) assumptions we might make about their forward trajectory. Its purpose is emphatically not to suggest these are the “right answers” to the future; rather they are intended to help catalyze and inform your own conversations, and help sharpen and define your own questions. The assertions offered below might or might not prove to be true – only time will tell - but their immediate purpose is simply to provoke reaction, inquiry and reflection as you evolve your collective thinking about the future of your business.

Given the complex interplay between multiple forces of change, there is no perfect or MECE way to frame the future – and optimal structuring of forward thinking inevitably varies by industry and business. As a generically useful start point, this perspective is constructed around five major vectors of change that have long been, and are likely to remain over the next decade and beyond, fundamentally important to human progress: Technology Acceleration; Shifts in Power; Restructuring of Businesses and Industries; Pressures on the Physical Environment; and Societies in Flux. Each of these is evolving rapidly, and for each an overarching and introductory hypothesis is stated, followed by several more specific, and highly plausible, dimensions of change for which businesses should be more fully preparing.

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Technology Acceleration

Increasingly powerful and mutually reinforcing digital technologies have combined to forge a self-accelerating technology system that will have very substantially greater impact over the coming decade than it had throughout the last decade. Large technology companies will likely have growing and hugely consequential impact, continuing to reshape the economy, society and how we live our lives. Increased scrutiny will probably result in some self or imposed regulation, and meaningfully increased emphasis on technology ethics – but the collective impact of these actors will continue to be remarkable.

New Tools and Capabilities

Humans have for millennia been inveterate makers of tools that augment and automate human work. The evolving digital technology system will create explosive growth in such tools, with many millions of people globally currently working on their creation. Their collective impact will be to greatly expand human and enterprise capabilities in ways that will drive radical new economic progress.

Data

Exponential growth of digitized data is the key feedstock for increasingly sophisticated AI, which in turn will discover new insights and applications at unprecedented pace and scale. This will increasingly position data as a new and critical factor of production, underpinning business success and future economic growth.



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TECHNOLOGY ACCELERATION

Work

New tools and AI will lead to the automation of work at a pace not seen since the Industrial Revolution – and the search for new work opportunities to replace lost employment seems primed to become an increasingly critical governmental and societal priority. Many forms of work will also rapidly virtualize and be performed remotely from traditional workplaces. The search for new employment opportunities, and new ways to cooperate, connect and find community, will be largely found through novel economic activity driven by newly available data, and new forms of collaboration, and learning driven in part by VR and AR.

Next Wave

By 2025 a new era of accelerated technological progress is expected to be underway, driven by a convergence of digital, bio and nano technologies and materials sciences. By 2030 this will have proved as disruptive as digital technology is already today. It will be focused initially on significant developments in physical and mental health and wellness and new manufacturing systems. As it moves inevitably beyond human wellness towards human enhancement, and beyond manufacturing to military and security applications, intense ethical dilemmas and debates will arise.



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Shifts in Power

Power – who holds it, how and to what ends it is used, what it is based on and how it is sustained, and the checks and balances it is subject to – has always been a fundamental determinant of human civilizations and progress. These key dimensions of power are now in a historic level of flux, and how they change will have hugely important implications for our global future, economy and business environment.



Geopolitical Balance of Power

This will likely continue to shift through 2030, with associated changes in geopolitical tensions and hostilities, alliances, and institutions. The post WW2 order will continue to come under stress but is much more likely to evolve dramatically than collapse entirely. Demographic shifts will continue to empower Asia and to a lesser extent Africa over the highly developed economies. A revised order appears set to evolve around five powers: the USA, China, the EU, Russia and an emergent but increasingly powerful India. The relationships between them will be dynamic and at times antagonistic, but new (sometimes fluid and issue specific) alliances between them will emerge and provide a challenging geopolitical context for smaller countries and regional trading blocs.

Globalization and Protectionism

Increasing globalization was a key and largely uncontested driver of economic growth and progress for several decades until the Financial crisis of 2009. It has continued since then, but in a more fragmented and bilateral rather than multilateral manner. More recently, protectionist impulses have been rising. But these are much more likely to reshape than to reverse globalization. Trade may be used increasingly as a weapon in power struggles and will frequently be linked (often legitimately) to national security and IP protection concerns. The introduction of trade barriers will at times appear random, even capricious, and will be challenging to many global businesses. New approaches to ownership and partnership are likely to be innovated to reduce vulnerability. A slow but steady trend towards localization of economic activity will result in reduced reliance on existing global supply chains and the evolution of new, distributed, digitized and advanced manufacturing systems.

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SHIFTS IN POWER

Network-based Power Models

Traditional power models, based on centralized authority, hierarchical structures and systems of compliance, command and control, have been slowly but increasingly challenged for more than twenty years by more networked, bottom-up, technology-enabled, values-based and often issue-focused and timebound models of power. These are growing in potency, participation and reach, and this still evolving model of power and influence is moving beyond social movements to help inform and drive change within organizations as well – including larger businesses and public agencies. Those most willing and able to connect and align the old and new models of power will derive growing benefits; those who don't or can't will be increasingly challenged.

Customer Power

New power models are also compounding the shifting balance of power between customers and producers – already one of the most critical trends in the economy since the advent of TVs, advertising and increased choice. Today, “the Customer” has moved from being a relatively passive recipient of goods and services to becoming the vital beating heart of almost every enterprise. But customer power has not yet peaked. The expectations of younger generations continue to increase – for better experiences, more control over their data, better assurances of privacy, increased opportunities to cocreate and customize, greater respect for their values – and their willingness and ability to coordinate and mobilize in both support and opposition of businesses will steadily increase their power and role in the economy and society.



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Restructuring of Businesses and Industries

Businesses have always innovated, reshaped themselves, created and embraced new practices and evolved their marketplaces; while industries and sectors have evolved only slowly, and have not been meaningfully reclassified since the creation of the input-output tables, SICs and GDP measurement in the 1930s. Today, however, both are in significant flux, and will change more rapidly by 2030 than they have in any decade for the last ninety years.

Specialization, Disaggregation & Outsourcing

A key insight in the creation of economics as a discipline is that specialization of work and business is a critical driver of productivity and growth. This has held true for millennia and, axiomatically, as specialization has increased, businesses have disaggregated and outsourced more of their operations. Over the last forty years this process has been driven largely by the proliferation of supply chains, also securing wage arbitrage benefits. Over the next decade growing connectivity, datafication, AI and the Cloud will provide businesses with the option of reliably outsourcing increasingly mission critical elements of their business, at lower cost and, given network learning effects, greater quality.

Business Models and Ecosystems

New digital technologies might be expected to forge increasingly perfect markets, through spreading information, declining barriers to entry, and reduced coordination and transaction costs. As corporate profit levels demonstrate, this has not happened – mainly because of new business models that “imperfect” markets in new ways, largely through: customer loyalty based on superior experience and utility; ownership of or participation in new platforms that enable cocreation and multi-sided trade; and ownership and activation of new data. “Disruptors” are reshaping old industries through these models – and “incumbents” are now also adopting them and entering into new alliances and collaborations. The result is a rapid blurring of old industry boundaries and the emergence of new, cross-sectoral ecosystems connecting multiple actors in sophisticated, interdependent relationships that are simultaneously competitive, collaborative and co-creative. This critical and accelerating process appears set to significantly reshape the economy by 2030.

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Human-centric Economy

Many of these new ecosystems will address and satisfy human needs and wants more directly, more precisely, more affordably and more sustainably than was possible during the industrial era. Just as businesses have become increasingly customer-centric, over the next decade the entire economy will evolve towards increased human-centricity. While this will occur steadily across many marketplaces, by 2030 it will have most significantly reshaped health and wellness, personal mobility, education and learning, and energy production and distribution. In each of these, traditional incumbents will collaborate very closely with key players in government, technology, media, telecommunications, financial services and consumer sectors to forge a better future.

Efficiency AND Resilience

Over the last twenty years businesses have made extraordinary progress in reducing costs and continuously improving and speeding up processes, practices and systems. True operational excellence has been turned from a once elusive holy grail into an essential hygiene factor. Significant efficiency gains have been secured across much of the economy – and will, correctly, continue to be a core focus for most businesses. However, the continuous pursuit of efficiency has sometimes been delivered at the expense of resilience – the ability of businesses and governments, and of the communities and broader society they serve and depend upon, to adapt rapidly to shocks and “black swans”. The COVID-19 pandemic has vividly brought home the importance of this – and the increasingly challenging external dynamics explored in this paper will repeatedly reinforce the lessons. Rebalancing efficiency and resilience, and seeking to optimize both, will be a key focus for leaders over the coming decade.

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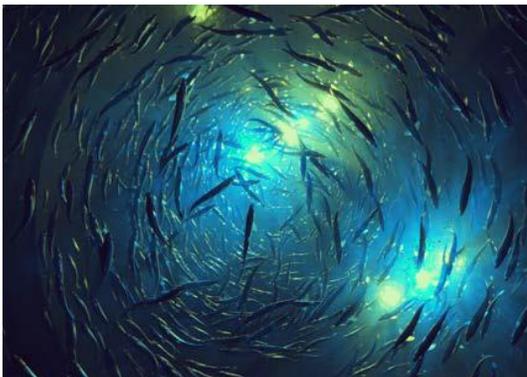
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Pressures on the Physical Environment

Even as the digital world rises in centrality and importance in our lives, humans remain physical creatures wholly dependent on the physical world for our existence. Our relationship with that world is under stress, and will come into greatly increased focus, likely radically changing priorities and increasingly urgent actions over the coming decade.



Climate Change

Human activity is increasingly altering our climate. The effects are now manifesting in predicted and unpredicted ways – and are expected to worsen considerably. Regrettably, a false dichotomy has arisen between sustained economic growth and a healthy climate upon which that so obviously depends. But by any informed, objective, scientific and data-based standards, we are currently on a dangerous trajectory – and alternatives are both possible and imperative. Awareness is growing and spreading that the sooner and more decisively we act, the longer we will have to adapt, and the less costly and devastating the transitions will be. Increasingly significant and coordinated investments, innovations and transitions to ameliorate and adapt to climate change will be a defining characteristic of the 2020s.

Smart Adaptive Infrastructure

The US led the world in building new infrastructure for an industrialized society during the late 19th and early 20th century and invested heavily again during the New Deal following the Great Depression. Maintenance and replacement of this aging infrastructure has of course occurred – but not fast enough to avoid a growing requirement for substantial new investment. Climate change will add to this pressure, automation of work will create demand for new employment opportunities, and new technology will create opportunities to smarten as well as harden and rebuild the physical underpinnings of our economy. Taken together, it is prudent to assume that these forces will by the mid-20's be catalyzing very significant new public and private investment, which must be informed by new and sophisticated policies and protected from inevitable large-scale incidence of attempted corruption.

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PRESSURES ON THE PHYSICAL ENVIRONMENT

Sustainability

This is a critically important concept but a broad term, currently covering a large range of issues. For example, as Deloitte has observed in [2030 Purpose: Good business and a better future](#), “the 17 United Nations Sustainable Development Goals (SDGs) declare that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests” (Deloitte, 2017). As significantly increased focus and action is, very probably, targeted on climate change, poverty, inequality, health and education, it is also likely that the meaningful definitions of “Sustainability” for the physical environment will narrow and deepen. There are growing challenges. Air and freshwater pollution, plastic in oceans, threats (including toxins) to food supplies, extinction of bird and other animal species, reduction of wilderness, and rapid loss of biodiversity are all becoming increasingly pressing. The emphasis placed on creating solutions for these will increase through 2030 and beyond.

“Circular Economy”

The existential challenges and opportunities regarding our physical environment are important, urgent and complex. A simple and unifying theme to help galvanize and focus efforts to address these is increasingly required. Our current “linear” economy is wasteful, damaging and ultimately self-defeating. As my colleagues have written, “On a planet with finite material resources, a circular economy is a necessity to sustain, not to mention to improve, human life and well-being” ([Deloitte Sustainability: Circular economy potential for climate change mitigation](#), 2016) – a critical concept that has the potential to increasingly drive important new measures and innovations over the coming decade.

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Societies in Flux

Societies are seldom stable for long. Values, norms and standards change; ongoing human progress resolves old challenges and generates new ones; experiences and expectations evolve through generations; and long-standing conflicts heal while new divisions and fault-lines inevitably appear. While gradual change is always occurring, history is also punctuated by periods of unusually rapid shifts. In recent years, relatively unregulated social media, deliberate and systemic disinformation campaigns, a sense of decline and loss amongst many demographics, and a very human thirst for simple answers to complex questions have all contributed to a volatile moment in many countries, including the USA. This is now being compounded by the COVID-19 pandemic and the powerful resurgence of protests against systemic racism and social injustice.

Polarization and Trust

United, well aligned and consensus-based societies are, historically, more the exception than the rule. Most countries have experienced civil wars – in fact many were created by them. Sharp and often angry divides have flared up in the past, and will likely continue to flare up again. But there is no doubt that today's levels of polarization and division, the loss of common ground, and a related decline in trust (in governments, institutions, businesses and each other) are extreme (Embedding trust into COVID-19 recovery). These challenges are expected to endure over the next decade, especially as they are to some extent being deliberately fomented. Unhealthy societies do not sustain healthy economies, and it is equally probable that business leaders will place highly increased priority on restoring trust and reducing divisiveness. In this they will likely tap into a growing (but by no means universal) desire for coherence, empathy and civility. Businesses that succeed in establishing rapport and approval from the broad public will be strongly advantaged over others.

Inequality

Enduring and in many respects rising inequality leaves many millions of people in very wealthy countries living dangerously close to, and in many cases a single paycheck away from, destitution. Too many have severely restricted access to health services, livable housing conditions, food and other necessities of life. Profound racial inequality remains in place. Access to important educational opportunities is unevenly distributed. Many – especially rural - areas have witnessed steady erosion of economic opportunity as well. The resulting stresses create unacceptable misery for many fellow citizens – and also often impose high societal costs. Over time, social order, security and safety will likely come under increased threat. In the changing social climate, it is prudent to assume that tackling inequality will become an increasingly urgent priority for businesses, governments, citizens and other stakeholders over the next ten years.

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Regulation

In the US at least, the regulatory environment has for the last decade been relatively stable and generally benign for businesses. It would be very risky to assume that this will continue through the next decade as mounting climate and environmental challenges, pressures on traditional employment opportunities, increased focus on inequality and long-standing injustices, growing geopolitical tensions, significant industrial restructuring, populist political movements, and lax tax arrangements for large, powerful corporations grow. Significant shifts in regulation will almost inevitably be coming over the 2020s - generating new constraints and opportunities for businesses.

Business and Society

Over recent years, many business leaders – from WEF participants at Davos, through the CEOs on the Business Roundtable, to outspoken business leaders – have expressed with increasing urgency the need for businesses to play a much more proactive role in shaping a better future for society. Ideas and theories regarding inclusive growth, engaged enterprises, purpose-driven business and stakeholder capitalism are proliferating, and enjoying a groundswell of support. Old orthodoxies, especially the notion that the sole purpose of business is the maximization of shareholder value – are being widely challenged. It is prudent that we assume that much more socially-driven models of business (including aligning strategies and new, profitable market making priorities with the resolution of deep societal challenges) will develop and prosper over the coming decade – and that Deloitte can and should play a proactive leadership role. This recent paper takes a deeper view on this: [Recharting our course](#).

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