SHAPING 2025 & BEYOND

Visioning the world of 2025:
Certainties, risks and longer-term implications

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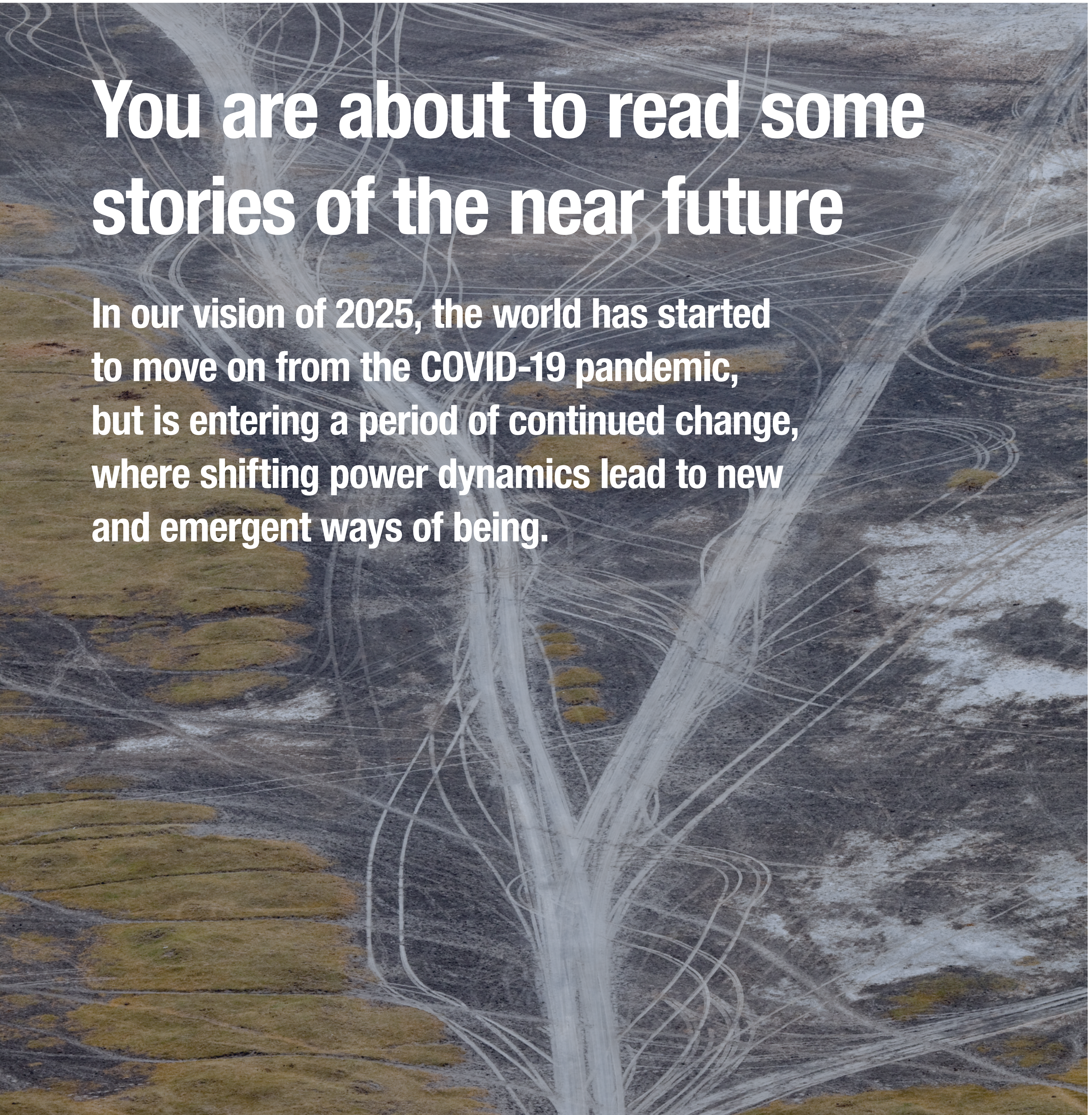
By Sarah Castell | February 2021

GAME CHANGERS Ipsos

Contents



Introduction

Using stories to shape the future

At the beginning of 2021, many decision-makers are thinking pragmatically about what to do next. Where should resources be invested for the climb out of COVID-19? Which of the many disruptions we have seen will lead to continued change, and which will fade as we revert back to a world more like 2019?

Businesses, governments and societies need to take decisions now about their strategies for 2021-25. At Ipsos, we believe that applying the long lens of foresight leads to better decision-making today.

Shaping the future starts with understanding where we are in the story. Are we at the start of a new era of constant disruption? Are we stuck in the 'long middle' of a process which will end? Or, have we reached the stability of a new or next 'normal'? COVID-19's story has its own chaotic trajectory, and some stability may yet be reached by 2025. But the next three to five years will likely see the start of a shifting power dynamic greater than the world has seen for more than 50 years.

The COVID-19 pandemic, and our response, has made some of our most important challenges more urgent; such as how to handle inequality, how to decarbonise our lives and economies, and how to reshape globalisation. It is, of course, too early to analyse the full impact of COVID-19. It has had a huge impact on certain sectors, on the psychological wellbeing of millions, and on the personal finances of many people; but it has so far cost far fewer lives than the so-called 'Spanish' flu, which killed perhaps as many as 50 million people a century ago.

The medical response, including the discovery of vaccines in record time, is an important scientific development for the human race. But as we recognise the significance of the last turbulent year, we must also acknowledge that seismic changes in the world had already been predicted before COVID-19.

This report identifies the next challenges facing the world, and the different ways the world might turn to address these. First, we set out the longer-term certainties; the trends we were already seeing, which will continue for the next four or five years, and beyond. We then map the most significant global uncertainties. Next, we combine the two to tell a simple story – **our core vision for 2025**, the most likely pathway we see the world taking. We explain what we should monitor over the next few years to explore how far this vision is coming to reality.

Then, we describe **three alternative trajectories for the future**. These are plausible, thought-provoking scenarios of 2025, though from the perspective of early 2021, they seem less likely to play out. We recommend monitoring the important elements of these stories, to reveal the points of inflection for the future, and early indications of change.

Decision-makers can read, discuss and debate these stories now. Ipsos can help design the key indicators of change, and monitor their development. This analysis will help inform strategies which prepare organisations for the emerging future – and allow decision-makers to shape that future as it occurs.

Applied foresight based on Ipsos' global futures expertise and horizon-scanning programme

In spring 2020, Ipsos set up a working party of experts from around the world, tasked with creating a framework for understanding the uncertainties of the near-term recovery period from COVID-19.

Our taskforce carried out a comprehensive horizon scan examining the drivers of change across politics, the economy, industrial and regulatory change, civil society, citizen and consumer values and behaviours, and the role of new technology. We identified more than 40 core thematic areas in which uncertainty could be modelled. We assessed the potential impacts of developments within these areas, and the level of uncertainty to be applied to each. To enrich this, we reflected on our ongoing work exploring citizen and consumer lived experience through the pandemic and gathered insight from Ipsos' unparalleled evidence base of 40+ years of research on the public's changing global values. Finally, we drew on learnings from applied history, looking at humanity's recovery from previous pandemics and comparable global events.

Many months of collation, sifting and collaborative analysis lie behind this report. We workshopped findings with around 100 Ipsos senior directors, and with Gen Y and Z Ipsos colleagues from around the world to ensure a perspective from our youngest team members was built in. We carried out 12 further interviews with external international futures experts, economists, academics and strategists, and delved into the views of many others.

All this collaborative process converged on common narratives. The four pathways in this report are robust, defensible stories of possible, plausible futures. Our core scenario, and the divergent narratives which branch off from this, describes some of the complex outcomes which may occur when different uncertainties interact with each other.

The world of 2025 we describe should be relatively familiar to anyone reading in 2021. However, creative and stretching ideas are vital to visioning and preparing for the future, so we have also set out the longer-term and more disruptive changes which we might see affecting the world of 2025.

"The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic."

Peter Drucker

Our pathways to 2025 are 'foresight', rather than 'forecasting'. We do not include simple predictions, as different events will play out differently, with various impacts on different states and regions. We know that individual events will occur, some will constrain us, and some will give us opportunities. But individual events are unpredictable, and the way they will interact systemically is complex, making the future emergent. So, we should not take our core narrative as the definitive recipe for the future, even if it seems the most likely for now.

The different narratives should be read as scenarios; sets of more than two different, clear, challenging and plausible stories about the world of the future. We hope these will help readers project themselves into different, complex future situations and open discussion on a wider range of assumptions and actions.

At Ipsos, we are committed to helping our clients to engage with foresight now. This engagement can help futureproof today's decisions, making sure enterprises and organisations thrive now, are sustainable tomorrow, and leave an ongoing legacy for future generations.

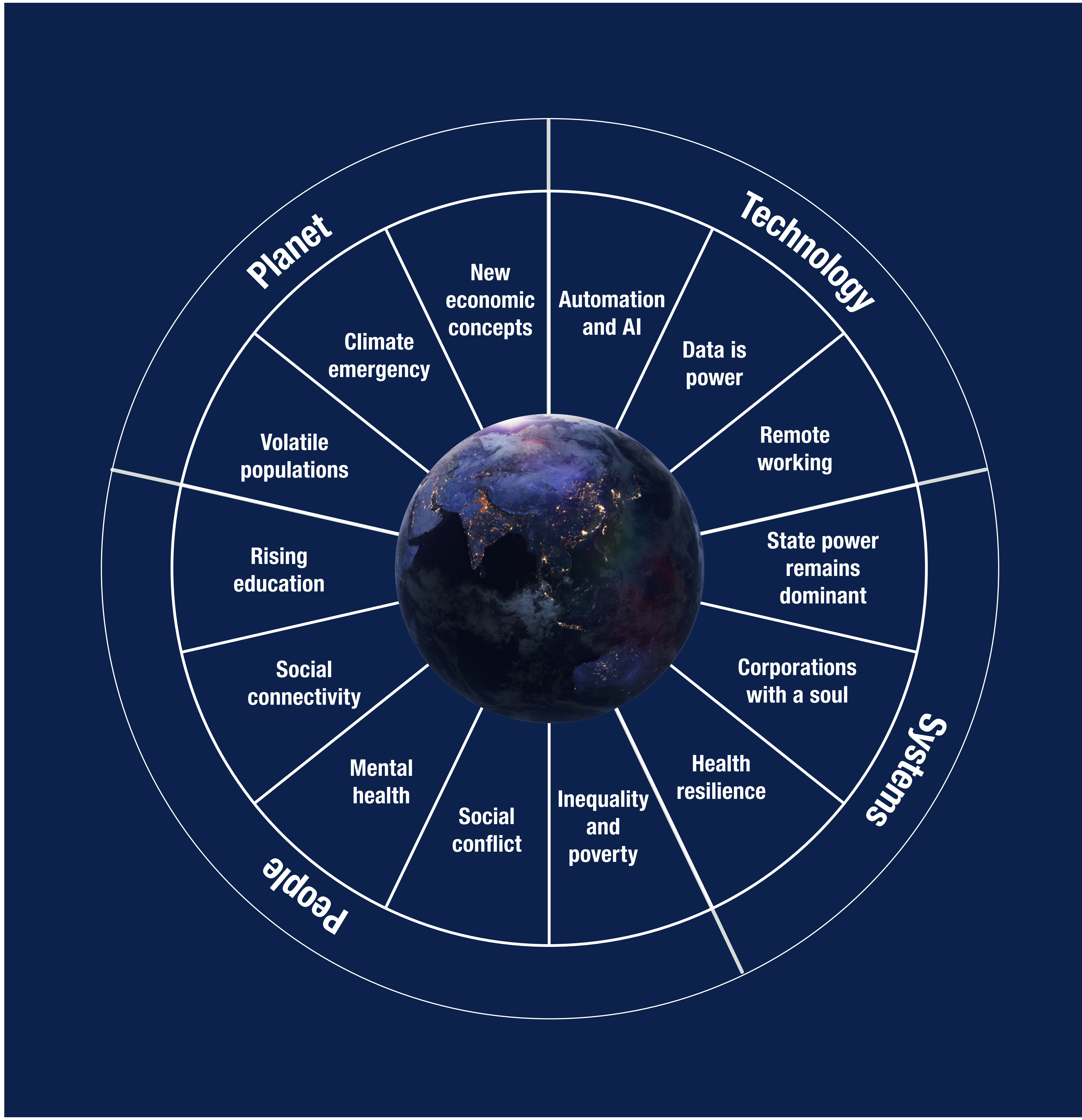
These stories take us into the near future of 2025, but they should also act as signposts to the world of 2030 and beyond. The Ipsos team is ready to engage with you around these stories, to help inspire both your action today and long-term planning for the future.

01 Certainty and uncertainty to 2025

Certainty

What we can expect to see in the next five years

Some certainties emerged as extremely likely in the world of 2025. Some of these are rooted in the longer-term macro forces which continue to progress; others represent medium-term shifts which have been reinforced, revealed to public consciousness, or accelerated by COVID-19. All our common narratives of the future contain these certainties, though the way the world responds to them may be different in different futures. New events will accelerate these trends in contrasting directions.



Planet

Macro forces shaping the planet

Climate emergency
We know we must decarbonise, rescue and regenerate our fragile ecosystems, and change our policies around resource management.

We see global warming, floods and storms, sea levels rising, plastic pollution, biodiversity reduction, desertification, and the likelihood of at least one more globally relevant climate event in the next five years.

New economic concepts
Growth is no longer a long-term given.

Commodity-export-based economies are challenged, trade wars are still with us, the global fight for oil and resources will continue. But we start to meet our planetary boundaries. Assets start to be stranded, and fragile, just-in-time supply chains are disrupted by climate and other geopolitical events. The clock is already running down on 20th century models of value.

Volatile populations
Borders will continue to be important to who we are. Volatility within populations will continue, caused by super-ageing, lower dependency ratios and lower fertility rates.

Meanwhile, uneven resource allocation will increase migration between populations, and across generational boundaries. Migration from economic uncertainty, wars, food and water insecurity will increase, and global publics will continue to be concerned about national borders.

People

Demographic, social and behavioural shifts

Education levels continue to increase
Greater literacy, greater opportunities for girls, greater demand for higher education

As more of the world shifts to a services and knowledge economy, nations, businesses and people invest in education. This, coupled with increasing connectivity, creates an ever more literate and connected global population. As a consequence, this perhaps makes system-level issues easier to spot and bring to public awareness.

Social connectivity
A rise in social media connection allows reshaping of the ideas of knowledge and evidence.

Along with greater literacy, this allows progressive grassroots movements to develop, such as #metoo and #BlackLivesMatter. This also pushes us towards continued polarisation and tribalism. Fuelled by deepfake technology, political and other campaigns of bad actors, and the low technological barriers to entry for spreading information (and disinformation), the nature of information – and how society uses evidence – will be repeatedly called into question. 'Alternative truths' put forward by opposing ideological groups are a continuing feature; fuelled, exaggerated and exacerbated by social media.

Mental health is at the core of future wellbeing
The world recognises that we need to address our mental health; to reinforce our physical health, our societies and communities, and to increase our resilience to future challenges.

Social conflict and polarised views
In the fractured information environment described above, the near future will be characterised by polarised views, split along demographic lines such as ethnicity, gender and age, but also divided by attitudes and values.

Systems

System-level shifts

Inequality and poverty
The role of poverty and inequality in individual health outcomes, population health and compliance with public health advice in future health shocks has been made apparent. Meeting these challenges on a systemic level becomes an issue for all of us to address.

Health resilience
Advances in biotech, data management and computing will be implemented to create better systemic health systems.

These innovations may not be distributed equitably, given the problems of inequality described above. However, to meet the challenges of infectious diseases, antibiotic resistance, ageing, and lifestyle illnesses, the technologies which are already established, plus emerging advances in genomics and Artificial Intelligence (AI), will go on to reshape public and private health systems in a post-COVID world.

Corporations with a soul
The systemic interconnectedness of public and private sectors becomes more apparent. In every future, we see that corporations will increasingly face the need to have a social purpose. This will help them survive in a world of scarcer resources, and gain support among their stakeholders, as they will have to demonstrate commitment to improving life outcomes for people worldwide.

The power of the state remains dominant
While the role of corporations and new social organisations is shifting (and we will see how this might play out in the divergent worlds we describe below), 2025 is still powered by nation states, despite these being more fragile and more criticised. In every future, the global power of the USA remains, both socially and economically. The eventual predominance of Asia, particularly China, is foreseen; the transformative power of China achieving its economic and cultural goals will be felt around the world.

Technology

Lives reshaped by technology

Remote working
The flexible, digitally led office is here to stay. Remote working will likely stick for at least five years, though may revert gradually. Along with other shifts such as further moves into the gig economy, and both vertical and horizontal collaboration, this will mean that where we live, how we work, how we socialise, our infrastructures and how we travel will gradually, but fundamentally, be reshaped.

Automation and AI
Advances in machine learning will gradually reshape our every social and commercial system. Whether in military, healthcare, administration, mobility, industry and throughout every supply chain and consumer engagement, the steady growth of automated and AI driven systems will change the way we act in the world. Whether there is economic depression or the reverse, these tech changes will continue and, over the next five years, drive inequalities between populations and changes to employment.

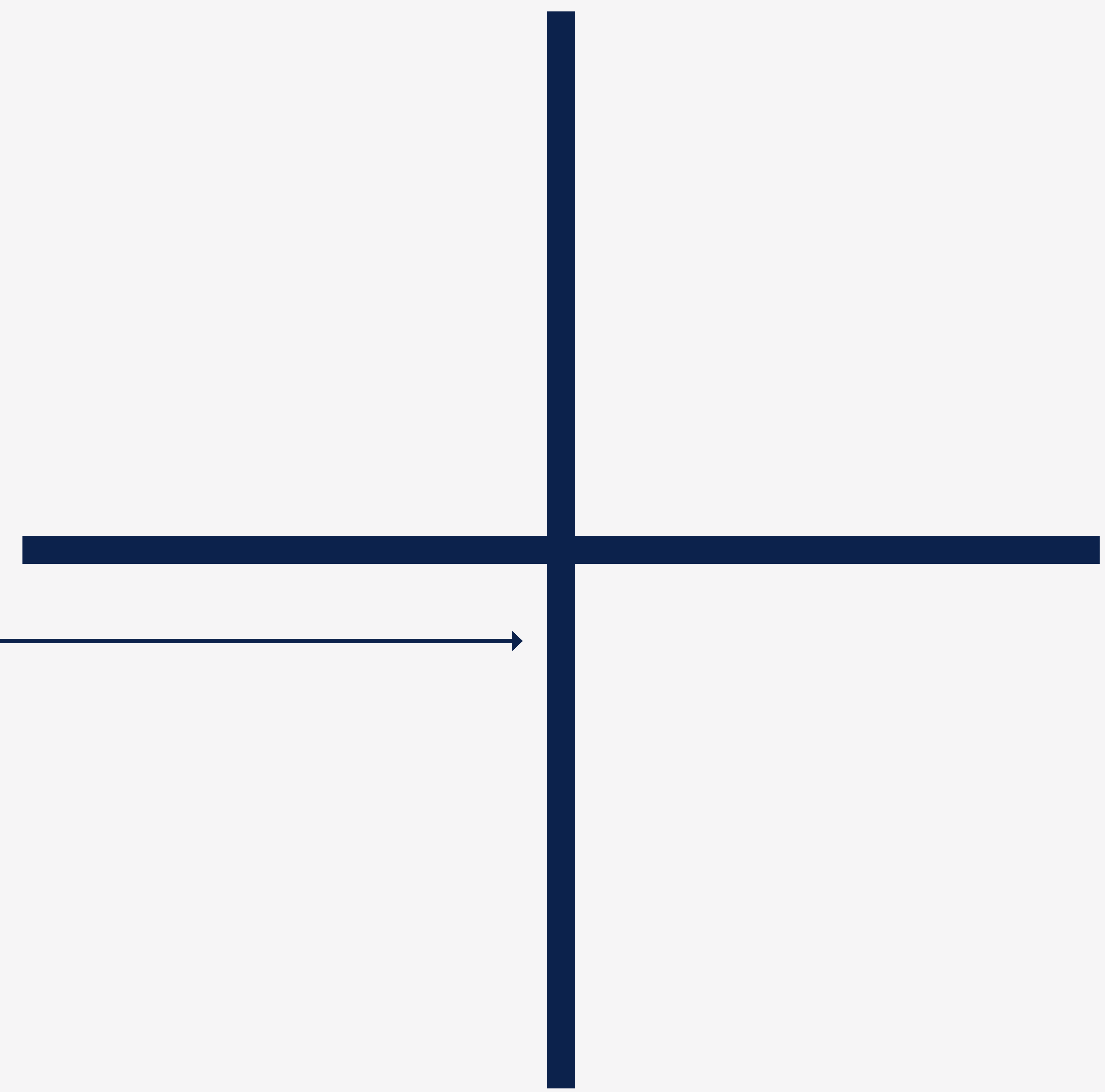
Data is power and markets are fragmented
In every consumer sector we will see digitisation, new interfaces and mechanisms of customer engagement, monetisation of data and the fragmentation of the mass market into many niches, built on greater surveillance and data sharing.

Tensions in the world in 2025

These building blocks of the future are just the start of the story. We mapped the impact and the level of certainty of the forces shaping the world in the next five years and uncovered significant uncertainties. We explored the most important drivers of change on the axes of two key uncertainties which we believe will shape the world.

The vertical axis shows the economic picture

There will be either a swift, strong recovery and a move back towards the high-touch economy we saw in 2019, or a weaker, more patchy recovery. This might involve a slow progress towards effective global vaccination, or we may see other shocks, such as different pandemics or climate events, affecting our economies before 2025. From 2021, the most probable point on this axis seems a gradual recovery, rather than immediate global bounceback.



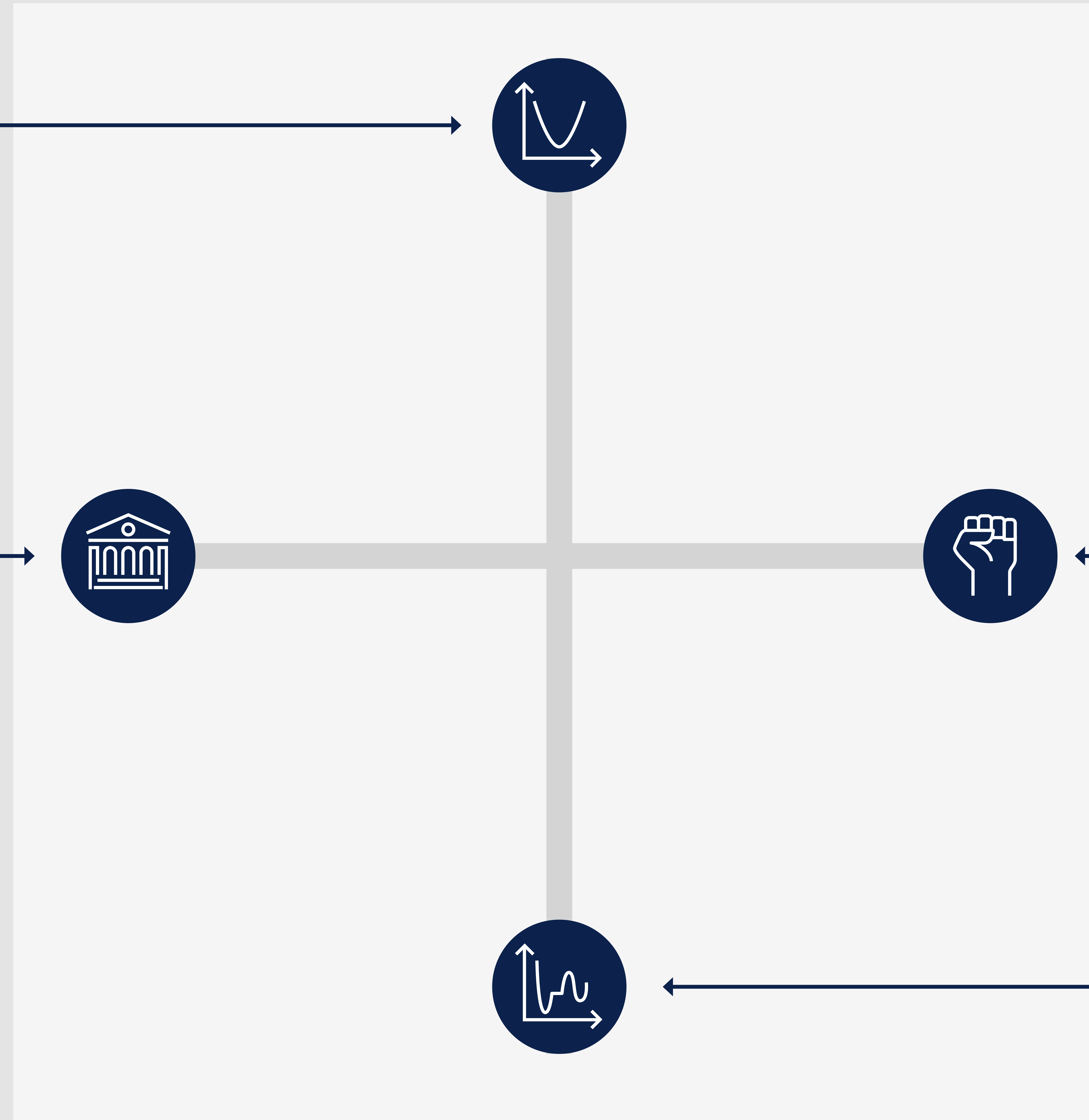
The horizontal axis shows a tension in demographic, social and political values

Some of the drivers of this tension are generational; Gen Y, Z, and the emergent Alpha generation ask for new approaches to solving climate change and global inequality, from a position of relative economic weakness, while Boomers double down on existing power structures and attempt to preserve existing silos of wealth.

Other aspects of this tension may come from the growth in developing economies with large lower-income populations, who will want to have a voice. Additionally, every tension is exacerbated by what COVID-19 has revealed: the fragility of our systems and the urgency of better global resilience. Our core narrative shows these values balanced in tension; in four to five years we will see no clear 'winner' in the global stakes.

V-shaped economic recovery in many places, with a smooth distribution of an effective vaccine. Commercial pressure to return to high-touch economy.

Neoliberal power structures remain the best way to solve problems, regain our security, and improve our quality of life.



A new approach to systemic problem solving is required, something has to change in global power structures.

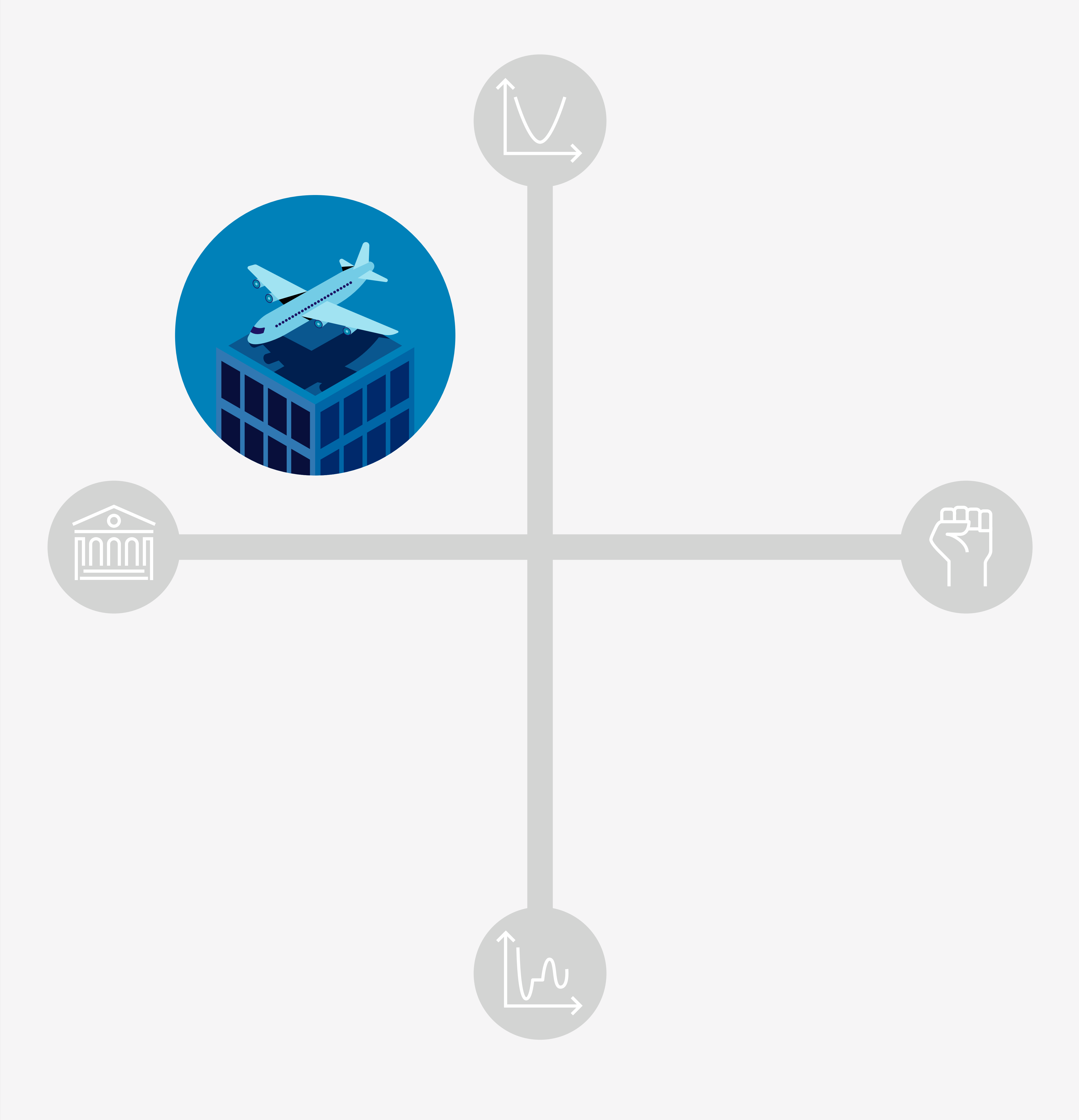
Patchy global recovery with different shaped dips. Vaccine unevenly and slowly distributed. Low-touch economy continues to 2025.

Core pathway

Familiar Power: A long march back towards the place we knew

The likeliest pathway in the next 5 years
Our core narrative, which you will read about in the next chapter, sits towards the centre of the spectrum, but pulls towards the top left of our quadrants. For relatively short-term planning, we judge that the pathway to 2025 is most likely to be towards a smoother economic recovery (led by China), and that the world will operate with a broadly similar set of power structures – at least for the next few years.

The core narrative, Familiar Power, reflects this world, and highlights ways that all organisations can thrive within this reality.



Don't stop reading here - the core narrative is not the whole story...

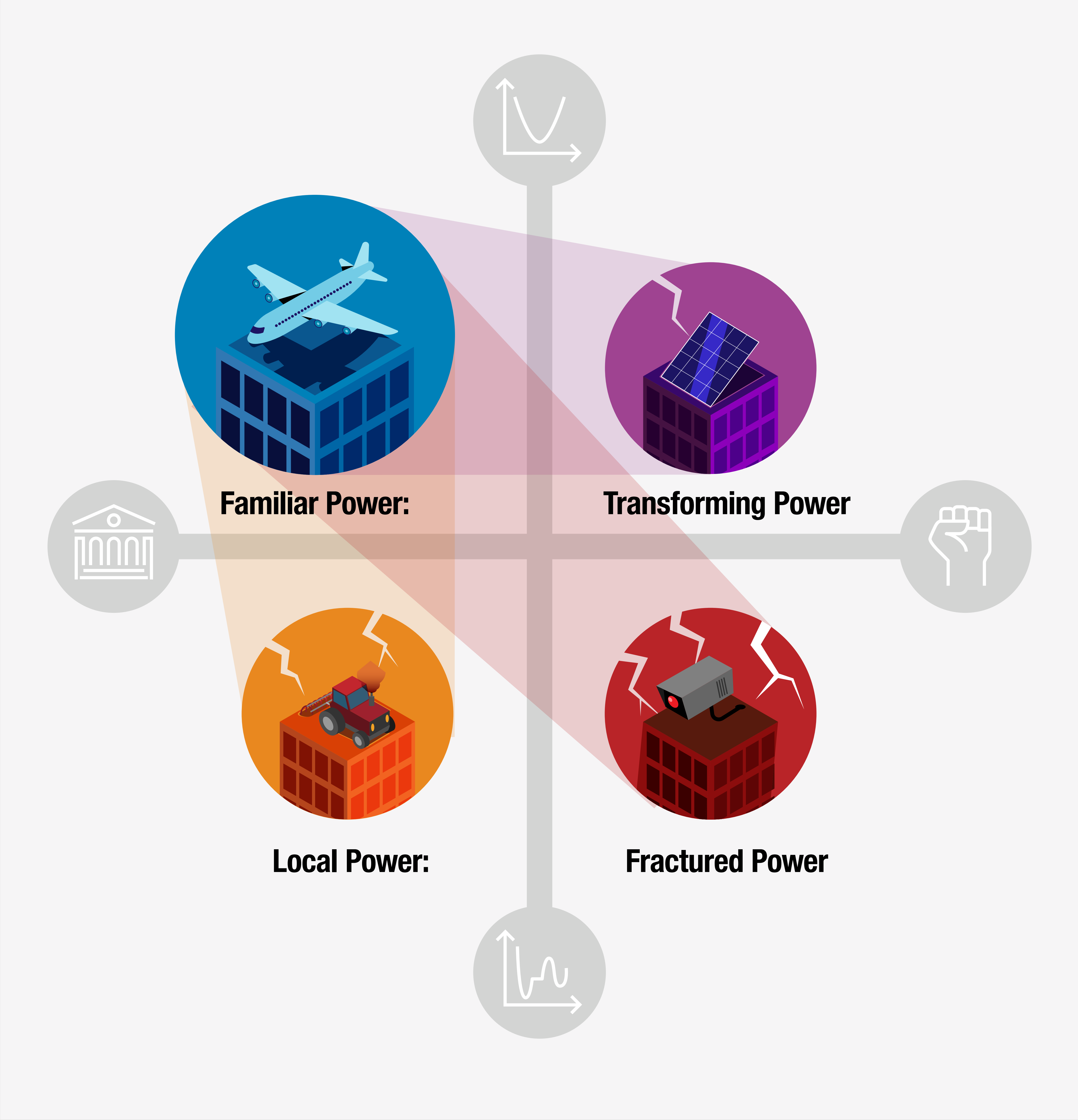
Divergent pathways

The future will not be linear and minor trends could accelerate, bend or shift to create a less familiar world. Our three further divergent narratives explore what would happen if the economic situation changes, and if the tensions in values and in society play out in different ways. They are stories of ways the global power balance might change. These three alternative worlds are called Local Power, Transforming Power and Fractured Power.

Elements of these futures are likely to take place, distorting and stretching the core story even in the short term.

Local Power: Protecting our communities

In a slower economic climate, citizens focus on regional economies, products and services. We don't travel abroad as much, and our neighbours are those close to us and the communities we find online. Supply chains are shorter, reconfigured to be more resilient and frugal, and innovation in this space thrives.



Transforming Power: Metamorphosis of society

A swift economic recovery and more urgent climate emergency pushes forward 'Capitalism 2.0'. Investors now press businesses to develop the circular economy, new business models and net zero innovations. Foundations fund supra-national institutions and roll out tech solutions for participatory politics.

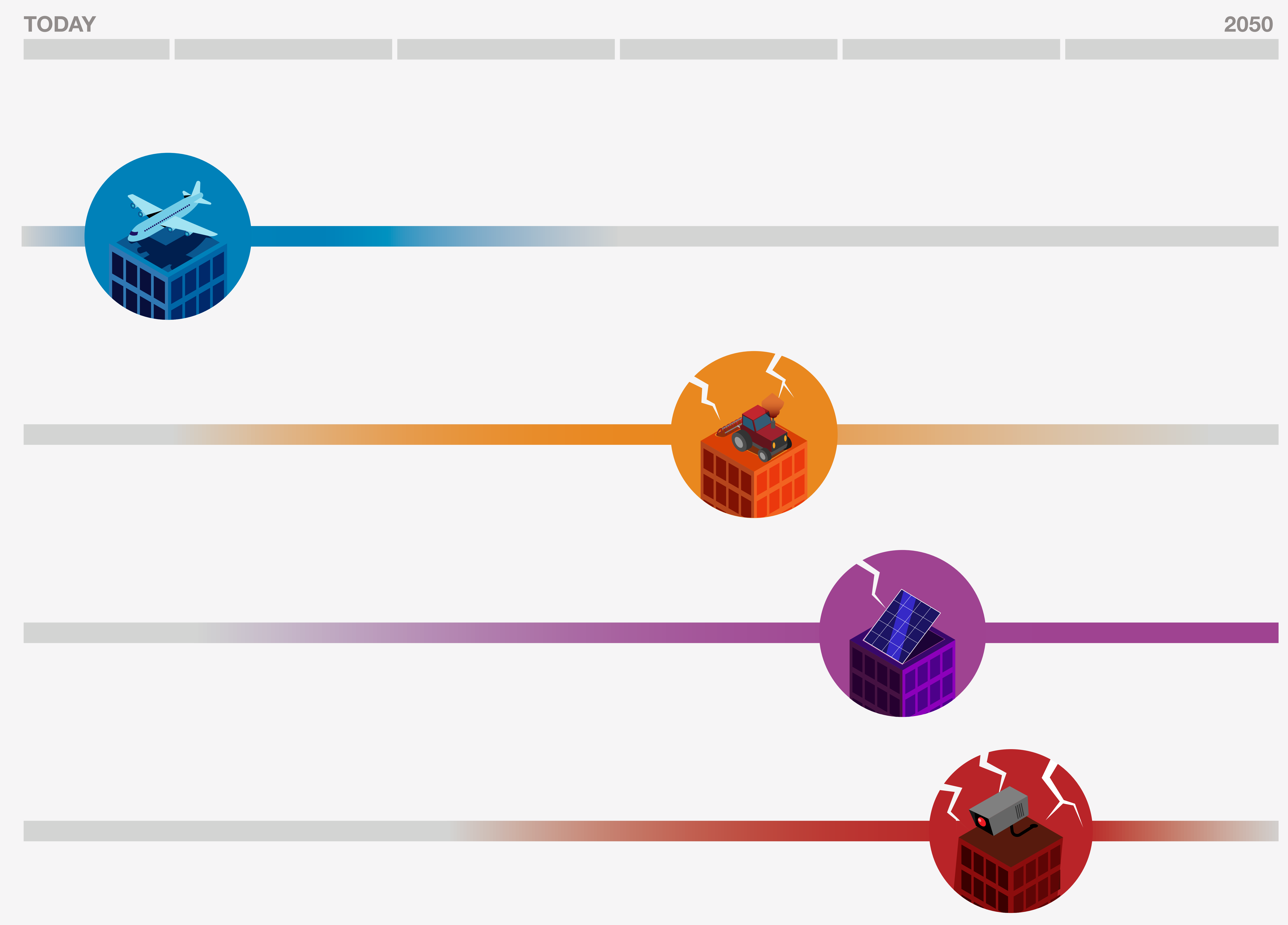
Fractured Power: Increasingly fragile states

A slow economy and the complete collapse of several countries' ecosystems is creating a world of extremes. Starvation drives climate migration, infectious diseases affect the poor, and even the powerful economies of China and India struggle to contain civil protest.

The other three narratives may appear less probable from today's standpoint, but they are all well within the realms of plausibility

There are three compelling reasons why these divergent narratives should be considered along with the core story.

1. **They represent high-risk, high-opportunity futures.** They are built on events which may be low-probability, but which will be high-impact if they do happen, and this should be built into planning.
2. **Just thinking about stretch futures helps us all.** These stories provide a framework to challenge the status quo, help people feel less constrained by the past and to notice change more quickly.
3. **As time goes on, more extreme futures come into the realms of the possible.** To spot and monitor real change, starting now, we need to know what future worlds might look like.



02 Pathways to the future

Familiar Power

A long march back towards the place we knew

The pandemic changed many things, but by 2025 much of the world looks superficially as it did in 2019. However, there are fractures under the surface. This world is less resilient, with high debt

The world has not grasped the opportunity to use COVID-19 to strengthen global institutions; and the same international tensions remain, with no firm commitment as yet to new ways of doing business or politics.

We avoided complete collapse and, though badly shaken, have benefitted from innovations of the pandemic. However, we prefer to focus on economic growth rather than investing in preparation for the next pandemic or climate disaster.

Investment in green energy, digital transformation and some collaborative tech regulation help this world feel relatively stable and stave off some of the concerns about polarisation or impending climate disaster.

Standards of living continue to improve for consumers in the global middle classes. Younger and more radical groups grumble, but older people are pleased to get 'back to normal' – not least in order to buy the world some time to address the next crisis.

Though there is growth in this world, there is also stalled social progress. With AI eliminating jobs, the climate emergency fundamentally unchecked, the elderly population growing, and young people facing consumer debt, insecurity and further austerity, this world is less stable than it looks.

Familiar Power

In detail

Politics: traditional national power

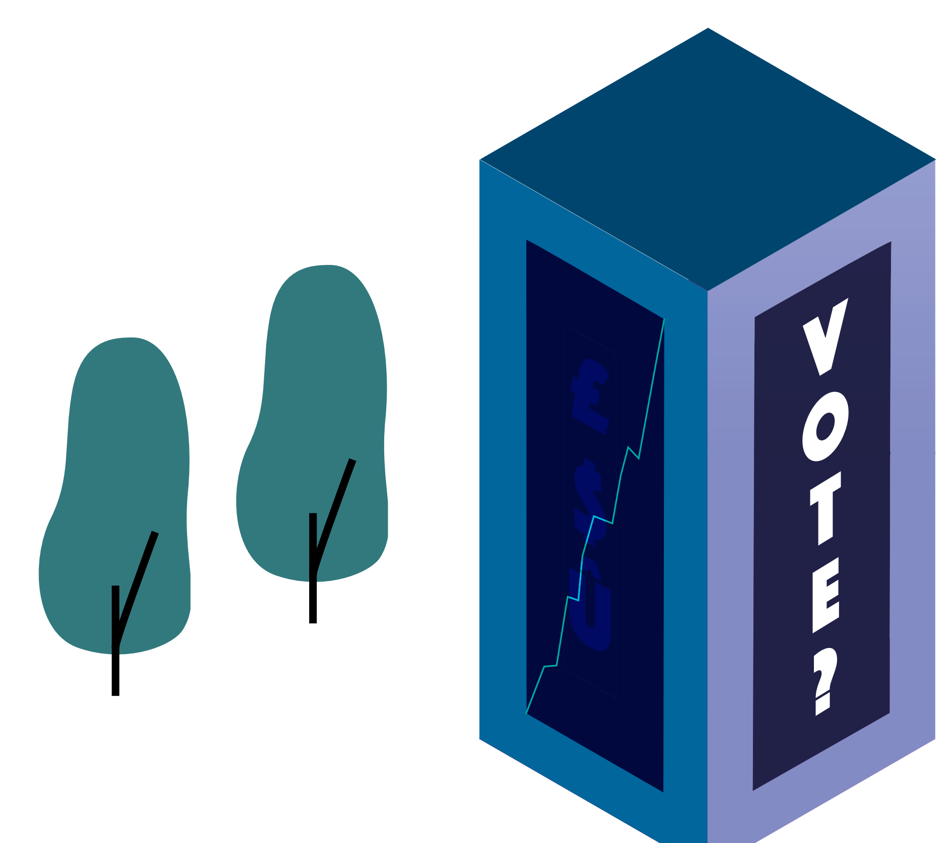
Despite the rise of populism and nationalism, traditional politics is in power in most countries with democratic electoral systems. The crash of 2020-21 had significant economic consequences, leading to greater fear of others and rising inequalities. New parties and campaigns fragmented old left and right distinctions, making clear majorities difficult to obtain. A more revolutionary approach would take us in the direction of **Transforming Power (page 35)** and a more polarised climate would look more like the world of **Fractured Power (page 42)**.

However, in this core future narrative, the general mood has been to retain tried and tested solutions and avoid radical revolution. National political agendas largely hold sway.

While the suggestion of trade wars has not gone away, governments have started to commit to shared goals. National and regional regulations are aimed at better preserving economic sovereignty, reducing dependency and cutting CO_2 emissions; but this is still very patchy, and in a world weary from the COVID-19 recovery, there is little fresh energy for new thinking… yet.

Health infrastructure has been shored up and further digitised with more money for hospitals, pharmacy, medicines and vaccines; some contingency planning is regarded as a worthwhile activity. However, policing, education, welfare and healthcare systems have not started to be fundamentally reformed. If governments start to move in this reforming direction, focusing on future resilience, collaborative action, and saving money through earlier interventions, this again takes us closer to the world of **Transforming Power (page 35).**

Relations with China, both on the diplomatic and the trading fronts, are a major political issue for many countries. China is pushing forward a growth agenda. While it has overtaken the US in some key areas of science and technology, it still requires an accommodation with the US and the EU to reshape trade links with countries who are moving offshored activities back onshore, and to dampen negative reactions to its policies on Hong Kong and Taiwan.



If the US and China do not manage to achieve a conciliatory approach to trade disputes, things could ramp up. If this world moves more in the direction of **Fractured Power (Page 42)** we could see aggressive reaction to the US's attempts to control global supply lines. Diplomacy and trade could become fatally intertwined if the US provokes China, for example by indicating it might recognise Taiwanese sovereignty. This might lead China to take aggressive action to show the US it is now the number one global superpower.

The EU has managed to avoid breaking up, despite post-COVID pandemic economic tensions exposing the North-South divide.

Russia, where President Putin remains firmly in power, continues to be a thorn in the side for the established countries of the west.

Russia and China have created different internets with different regulatory frameworks. The 'new Cold War' appears to be around control of data and the power of disinformation, fought online.

Southern countries are fighting brain drain, while Europe, Australia, South Africa and the US are more concerned with illegal immigration.

Global organisations are still in place, but their legitimacy is challenged by powerful countries, and they now have to reinvent themselves

Economics: growth and productivity

Supportive economic policies by Central Banks underwrote huge levels of debt, helping governments prioritise business and employment. Companies have regained the confidence to invest, after two to three years of cutting costs.

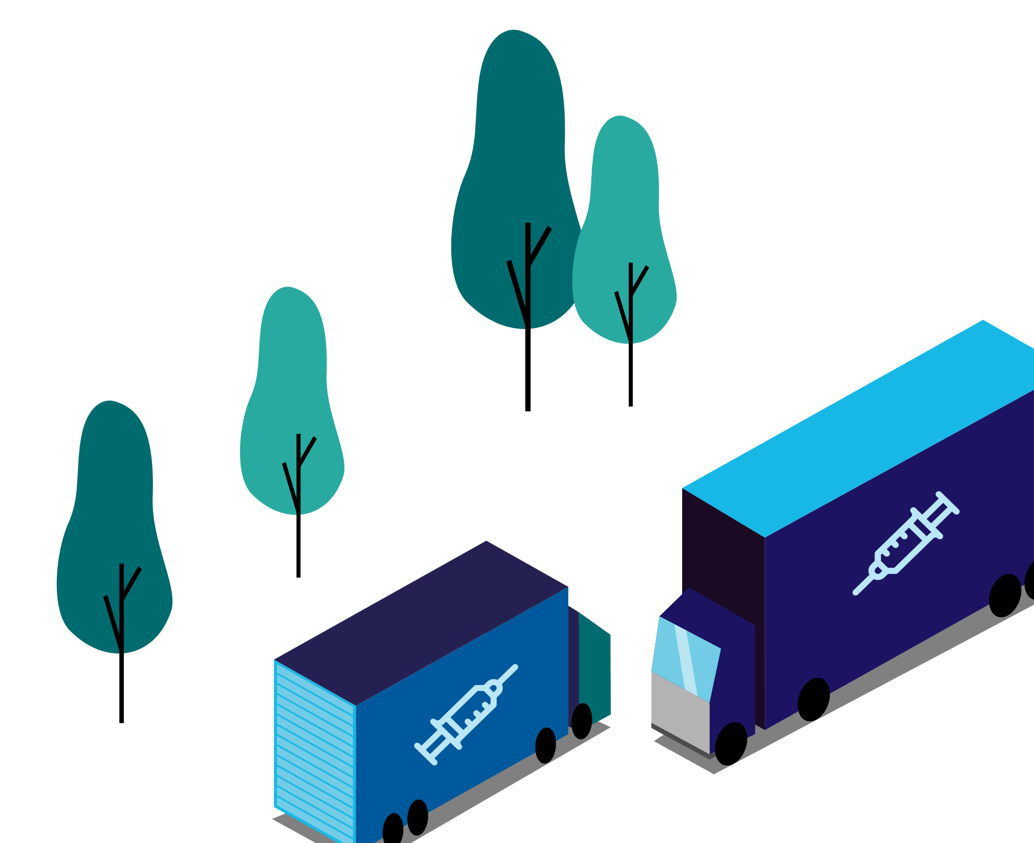
Growth in 2021-22 was 'exceptional' for most countries due to some catch-up by the large economies. China recovered more quickly than other economies, boosted by domestic demand, meanwhile the US and Europe have had one of the highest GDP growth levels for the last 30 years. However, in 2025 not all sectors are fully recovered from the crisis, and some may have fundamentally shifted.

Productivity is improved, however, as businesses have built on new ways of agile working developed during the pandemic. Unemployment keeps on rising since pre-crisis jobs are threatened. White-collar jobs are now threatened by automation and remote workers from various countries, and a broader local market.

Economies remain highly interdependent. However, the tariff-and-trade-war approach, following the trail blazed pre-COVID-19 by President Trump, is now common, making goods and services more expensive for consumers and exacerbating inequalities. Global organisations are still in place (OECD, WTO, etc) but their legitimacy is challenged by powerful countries, and they now have to reinvent themselves.

Vaccine rollout eventually happened relatively smoothly, and some established countries helped others.

Automation is putting pressure on all countries, as manufacturing and industrial jobs are transitioned to robots. There are also more attractive human opportunities here: countries and industries invest in building skills in leadership and management of innovation and change. Increasingly there are areas of highly skilled, highly paid work.



Younger groups have turned to the online world, where their sense of community applies beyond the physical locality

Social values and demographics:
tensions and a desire for normality

This world is driven by the values of security, a desire for pre-pandemic normality and economic growth. People want to put COVID-19 behind them as little more than a bad dream. At the same time, we bear the scars – anxiety around the potential threat of reinfection is real. Although this world is the one which most closely resembles that of 2019, life has still changed in significant ways. This dichotomy of optimism and anxiety leads to tensions.

There are real differences in values between Gen Z and Millennials versus the Gen X and Boomer generations. The world is now both more flexible and more restrictive – creating winners and losers.

Younger groups have turned to the online world, where their sense of community applies beyond the physical locality, as online bonds are strengthened. There is a new focus on linking your online persona to your real self, to ensure that you are in a community only with others like you. Unfortunately, this self-identification also stokes racial tensions and cohesion between communities is low.

For citizens, life has changed. Income sources have evolved to be more varied; many have flexible jobs or several side-hustles. Hence, the relationship between income and taxation has changed. More work flexibility is required of those on low incomes. Many women who lost their jobs during the post-COVID economic recession have not resumed the same kinds of careers they had before. Many are frustrated that support for progressive political movements did not translate into structural change post-pandemic.

We see a range of behaviours around money, from increased savings to ‘revenge’ consumption. For the less well-off, consumer behaviour has remained low-key, with debts pushed up through job losses but discretionary spending also down. But among the affluent, we see limited options for use of surplus money – both in terms of investment (with low returns) and spending; much of the spending we do see is rather hedonistic.

Mobile working continued after 2020. Despite advertising designed to tempt back business travellers, it is now the norm for white-collar workers to work blended from home and office, to take staycations and reduce business travel. Local and domestic travel and tourism have boomed, as domestic destinations experience a boost. This impacts the ecosystem in terms of commuting, traffic congestion and real estate values. The boom in remote working means the boundaries between home, work, play and social life are all blurred, and urban and suburban areas are starting to look very different from those in 2019.

Quality standards, product attributes and service deliveries have all undergone major changes to make them 'pandemic proof'

Brands and consumption: ethics, healthcare and tech-enabled personalisation

More and more consumers are seeking meaning in brand purpose, going beyond functional to ethical attributes. Due to challenges to raw materials supply chains, goods are gradually becoming more expensive, so spend is unchanged while volumes are smaller. Fast fashion and non-seasonal, non-local food are much more expensive in some parts of the world.

In the wake of the pandemic, there is also an interest in premium safety across categories and through supply chains. New services offer safe, risk-free healthy options – sanitised, touch-free and virtual, even though there is no longer a need for COVID-19 virus protection.

Quality standards, product attributes and service deliveries have all undergone major changes to make them 'pandemic proof'. There has also been a flip to science to explore and experiment for greater security; for example sustainability with eco-friendly materials. Veganism has continued its trend to increase, and alongside this there is demand for high-tech fortified foods which are personalised to the level of the individual's genome.

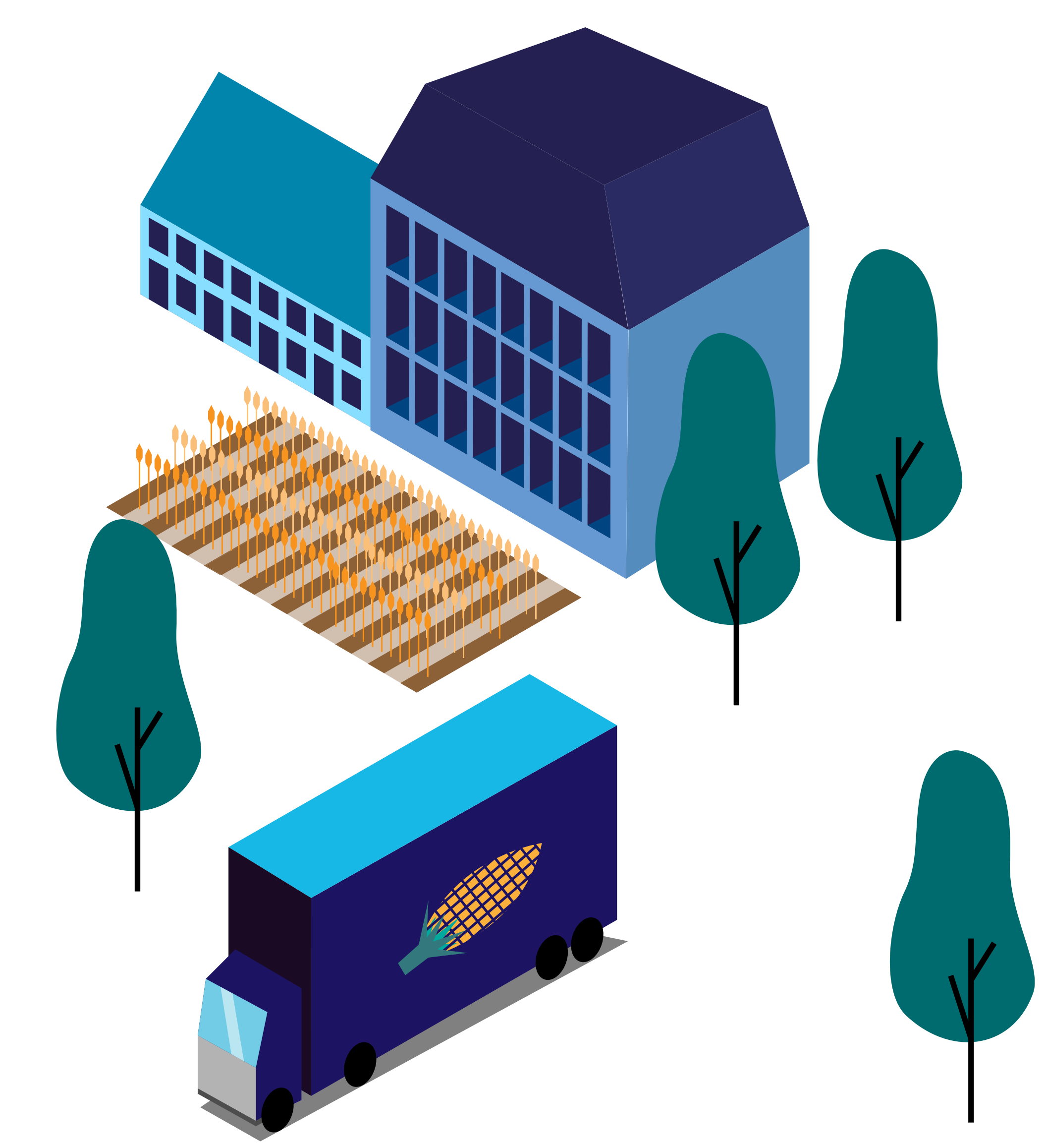
Health is a major area of consumer focus. Brands now need to bring in health benefits as one of the standard efficacy/performance attributes across sectors, in food, personal care, beauty and technology. Deluxe personal and predictive health services which add to state provision are common among the affluent and health insurance takes advantage of this.

Many luxuries have moved to providing in-home experiences, including fine dining, dispensers for snacks and some leisure activities. House design, home improvement and gardening industries flourish. Furniture, appliance and home-cooking companies prosper, but cinemas, bars and restaurants continue to struggle.

Successful brands harness the power of data feedback loops and the Internet of Things (IoT) to ensure their products and services are highly personalised, optimised for the algorithm-driven world of assisted-shopping software.

Successful multinational companies are starting to nuance their business structures to account for ever higher levels of personalisation. In China, for example, multinational offices are allowed considerable autonomy to design and provide services to the needs of the region. Leaders are developing better skills in working with diversity across regions and transporting and reshaping innovations.

We see some seeds of alternative economies and currencies which have formed as internet communities and alliances have stretched the traditional trade boundaries.



Governments are in talks to establish the best mechanisms for regulation in a globalised world, but things are not moving fast

Technological: we continue the hype cycle and rely on the Internet of Things

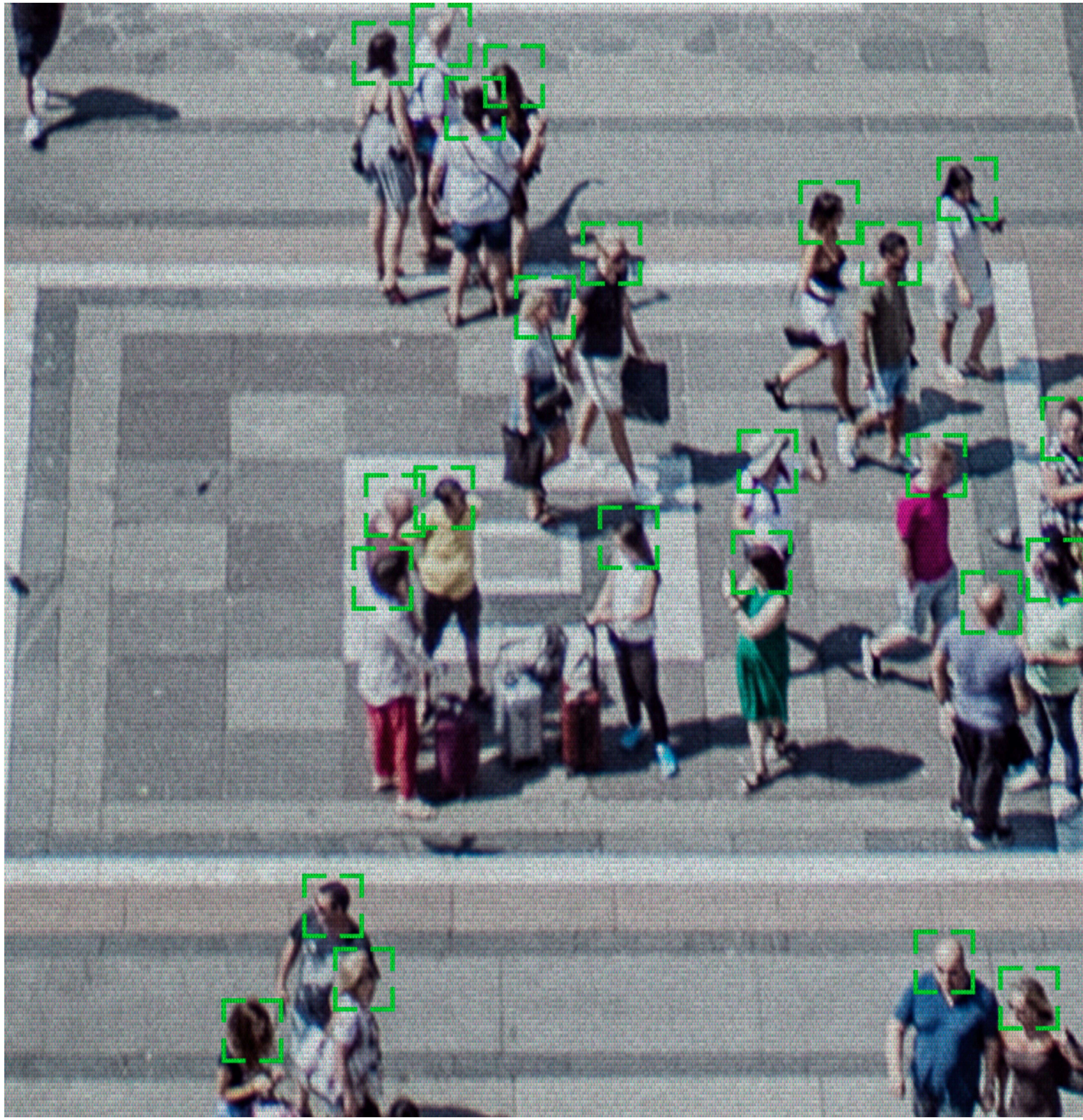
In this world, both big and new players have increased the number and speed of their digital solutions. Automated vehicles are on the roads in several countries, robotics is the norm in manufacturing, and science spinouts command high levels of venture capital investment, especially where they promise solutions to food insecurity, ageing and obesity, and climate change.

At home, consumers have an even closer relationship with global tech companies, who use algorithmic AI systems to control almost everything, bringing stability of supply but huge profits to themselves. For citizens and businesses, technology has become even more essential, especially for recruitment, banking, travelling, communication and healthcare. The cashless society is here, enabled by the Internet of Things.

Debates over AI ethics are still very alive and have progressed. However, this has not prevented governments seeking advantage by rolling out technologies such as automated vehicles, genetically based health insurance and 'algorithmic government' – governance and regulation determined by AI and other advanced computational information processes – in order to make efficiency savings in policing, health and justice.

Governments are not yet able to implement anti-trust regulation in any meaningful way. In fact, they have had to outsource provision of many public goods to large tech companies and platform providers.

In this core narrative, attitudes to tech companies are stable, despite a growing sentiment that these companies are getting too big and unresponsive. If the future develops to a world closer to **Local Power (page 34)**, we see even more public concern, but less capacity to change things. In the world of **Transforming Power (page 42)** we might see publics and governments taking action, or even the companies themselves seeking to regulate the environments in which they work.



We have seen the coral ecosystem completely collapse and microplastics have made some fish species inedible

Environment: we want change, but without having to change

Heatwaves and fires are making parts of Australia, the US, India and Europe much more costly and difficult to live in. We have seen the coral ecosystem completely collapse and microplastics have made some fish species inedible. Pressure is still on politicians and businesses to act, and this is slowly happening.

Younger people in particular continue to demand change, arguing that COVID-19 had demonstrated that humans are more fragile than we act. Climate change deniers are a smaller group than in the years preceding the pandemic. Nonetheless, international cooperation remains limited – it is more of a talking shop than a drive for real concerted action on climate change.

Nations are still suspicious of signing up to ambitious targets for changing infrastructure, and suspect other power blocs might default. So, some of the greatest impacts of industrialisation are still outsourced to emerging economies.

However, across boundaries, new partnerships start to spring up with mutual agreements to decarbonise for the benefit of a particular crop, region or supply chain. If we see this happening at scale, it takes us closer to the world of **Local Power (page 28).**

There is significant investment in the 'green economy' as part of the established countries' attempts to relaunch their economies post-virus, but the focus is on creating new types of energy generation so that lifestyles do not have to change.

Air travel has largely recovered, but there are more short-haul journeys and business travel is reduced compared to 2019. Tourism, heavily disrupted initially, is recovering well, but aspects are not yet back to the size and scale of 2019; the fear of germs is still discernible. The collapse of the travel and tourism sectors between 2020-23 led to an unintended slowing down of global warming – but overall, climate change remains a major threat to the world's future.

Local Power

Protecting our communities

In a slower economic climate, citizens focus on regional economies, products and services. Supply chains are shorter, reconfigured to be more resilient and frugal, and innovation in this space thrives

The local focus in economic and environmental policy helps rejuvenate urban and rural spaces, though threats to larger ecosystems remain. The air quality is poorer, and global temperatures are still rising. Consumers have less choice but provenance remains a popular trend, and people enjoy local and regional products. Older and poorer communities are helped by philanthropy, while state support is low.

The thought of a better world is on the backburner while we get our own house in order. There is, for many, a sense of relief, contentment and comfort, as we focus on what is near to us. However, immigration, social media and the aspirations of youth make it hard to ignore our global connections, so there are real tensions in this world.

DIVERGENT PATHWAY

Local Power

In detail

Politics: nationalism and regional power

The response to COVID-19 has been to retreat into the nationalism and regionalism we saw in 2020. Scarce resources, a weak global economy and an overly insular outlook have created an environment where politicians have a mandate to put ‘me and my family first’. The economy is king and political parties trusted to revive it win the popular vote.

Governments protect homegrown industries and innovation in their regions. Reduced public sector budgets and heavy debt loads limit the revenues that governments can generate and spend on structural change or the public sector.

Western governments reduce aid budgets and support for international organisations. Without (inter)national guidance or joined-up legislation, minority groups have even less of a voice than they did five years ago. There are some national lobbying and charitable organisations, but they aren’t in all communities. This means justice, safety, health and social equality initiatives are determined at a local level.

Russia continues to try to influence the world but is besieged by a disruptive domestic climate. The European Union remains intact, but with declining public support, and there are ongoing conflicts between the EU and member countries over economic and trade regulations.

The US is struggling to return to consistent, albeit limited growth. China is in a better position economically than many countries. It is in growth, but trade disputes with the US and other countries limit its global expansion.

Some industrial, pharmaceutical and agricultural jobs are now brought back to local markets as a ‘strategic’ economic asset

Economic: struggle to preserve what we have, plus local innovation in super simple frugal development

The economy grew in 2021 but by 2022 was relatively flat, with growth limited to the large platform and digital companies.

After COVID-19, public economic expectations are low. Unemployment is high due to global recession and growing automation. Government economic supports declined in 2021 and many sectors (travel and tourism, hospitality) have been decimated. Some regions are still struggling with the occasional outbreak of mutated strains of the COVID-19 virus.

Some industrial, pharmaceutical and agricultural jobs are now brought back to local markets as a ‘strategic’ economic asset.

The wealth and health gaps between rich and poor, old and young, and men and women grow larger

Home-baking, gardening, DIY and cooking are promoted. There are more vegans – but through necessity rather than ideology

Social values and demographics: a nostalgic world with strong community bonds

Important values in this world are nostalgia (especially among an older, middle-class cohort) for the way things were before the COVID-19 pandemic (and even before the globalisation of the early 21st century); inertia (among the rich who seek to protect their gains) and short-termism (spending/living for today rather than investing time and money in social justice and climate change), especially among the younger and poorer.

Communities value their autonomy and are taking comfort in a local focus; people think about a smaller, more protected circle where people (not the state) look after each other. For many, there is a fierce sense of local pride and the local perspective adds to a sense of safety and security. However, with greater group identity comes a rise in more regressive social ideologies – anti-abortion, pro capital punishment and support for extreme political groups.

The population continues to age, although several countries still have relatively large youth cohorts. Both saving and consumer spending are limited. The wealth and health gaps between rich and poor, old and young, and men and women grow larger.

Working from home and travelling less are still a core part of life, though this is often due to companies and communities trying to save money rather than flexing to be more profitable or innovative. Businesses have been investing heavily in technology to cut costs and people are willing participants in e-health, e-commerce and e-meetings, out of necessity and convenience.

Brands and consumption: the missing middle

In this world, the middle ground continues to shrink as consumers need low-end essentials at very low cost. For many, food poverty is part of the fabric of life. Home-baking, gardening, DIY and cooking are promoted. There are more vegans – but through necessity rather than ideology.

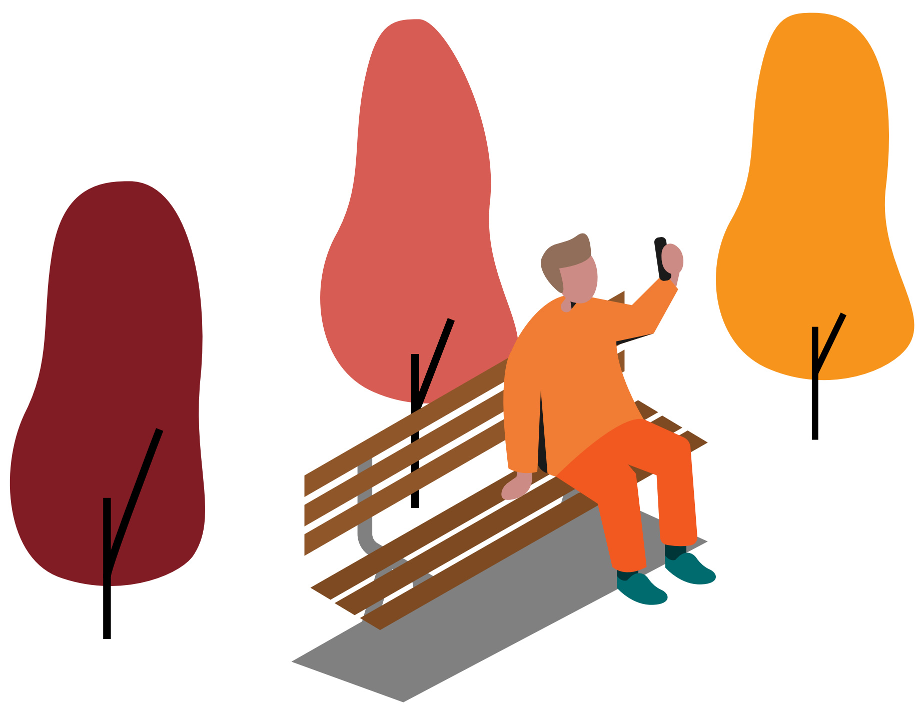
The overall weak economy rewards businesses that can deliver goods as cheaply as possible. Despite the ability to access the world via the internet, most sales are value plays and as a result the biggest companies, the mass producers with economies of scale that sell online, are thriving.

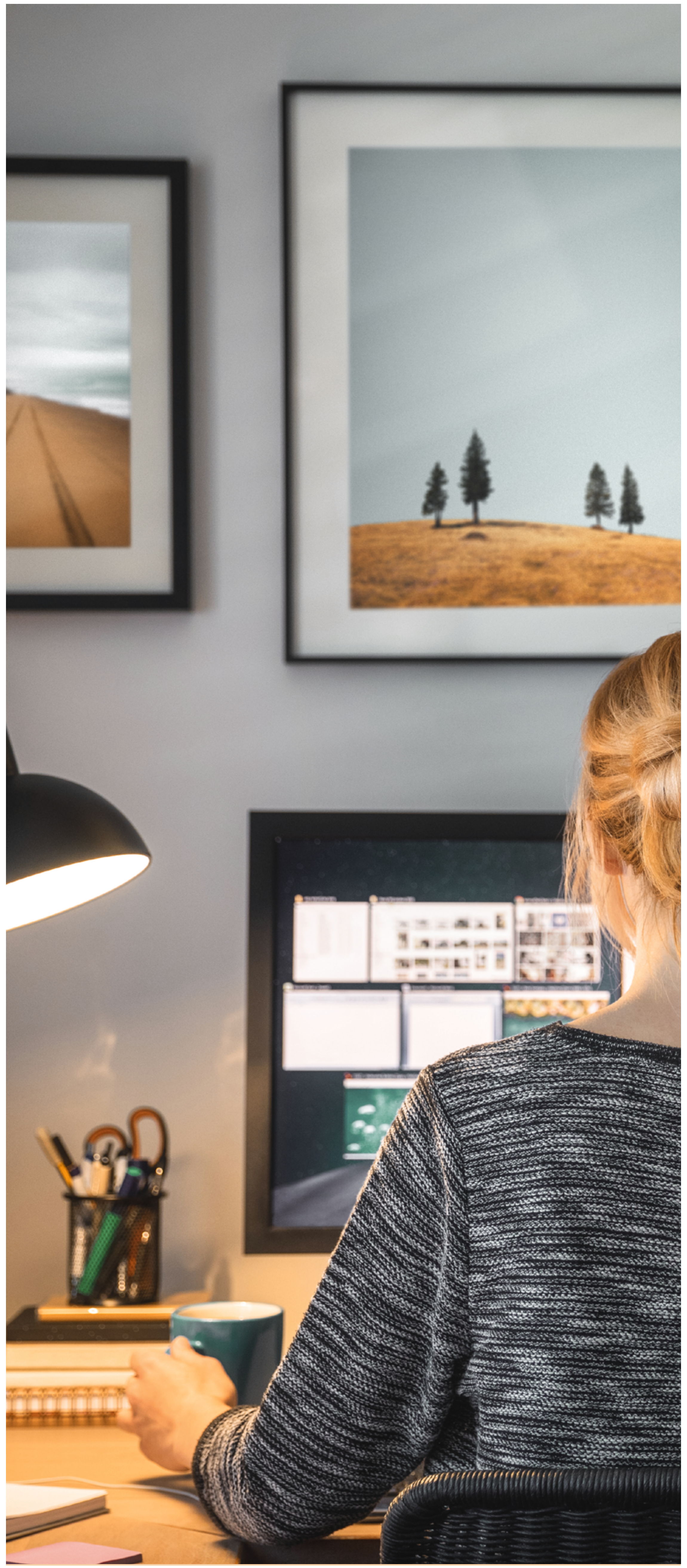
Those companies which are doing well have pivoted to an agile and responsive approach to innovation, meeting local needs, providing a wider range of offerings and dealing with limited raw materials. Companies are building the no-waste economy at a local level by recycling and upcycling products and offering cheaper digital services and experiences alongside new products.

The internet is the window on the world and for some the channel that allows them to keep their middle-class job while working remotely

Technological: local networking

Technology and homeworking provide an economic boost and population growth to some local areas at the expense of larger downtown cores. The internet is the window on the world and for some the channel that allows them to keep their middle-class job while working remotely. Internet access is one of the areas that regional governments have prioritised. New technological solutions in local energy supply have boomed, and this helps regions feel more resilient to energy supply threats.





For those on lower incomes there is little capacity to buy more expensive, greener products

Environment: circular economy at the local level

People are focused on protecting nature close to home. The circular economy provides a social rationale for running a thrifty, value-based city and household. There are many individual-level energy efficiency incentives. However, for those on lower incomes there is little capacity to buy more expensive greener products, and less sustainable but cheaper options remain popular.

Transforming Power

Metamorphosis of society

A swift economic recovery and continued climate emergencies have pushed the world in another direction

In this future, people and organisations focus on making our economies more long-term, valuing the climate and changing economics for the 21st century. Investors put pressure on businesses to develop the circular economy, new business models and net-zero innovations. Foundations fund international institutions to combat global challenges. They also support more participatory politics through technology. Businesses collaborate to compete for the wallets of consumers, more of whom are actively choosing ethical companies. Big tech and big states have a lot of power in this world, and some groups protest against shrinking personal freedoms.

Transformation is not complete, and in some places, change is slow – but new ways of living, working and valuing the world are emerging.

Transforming Power

In detail

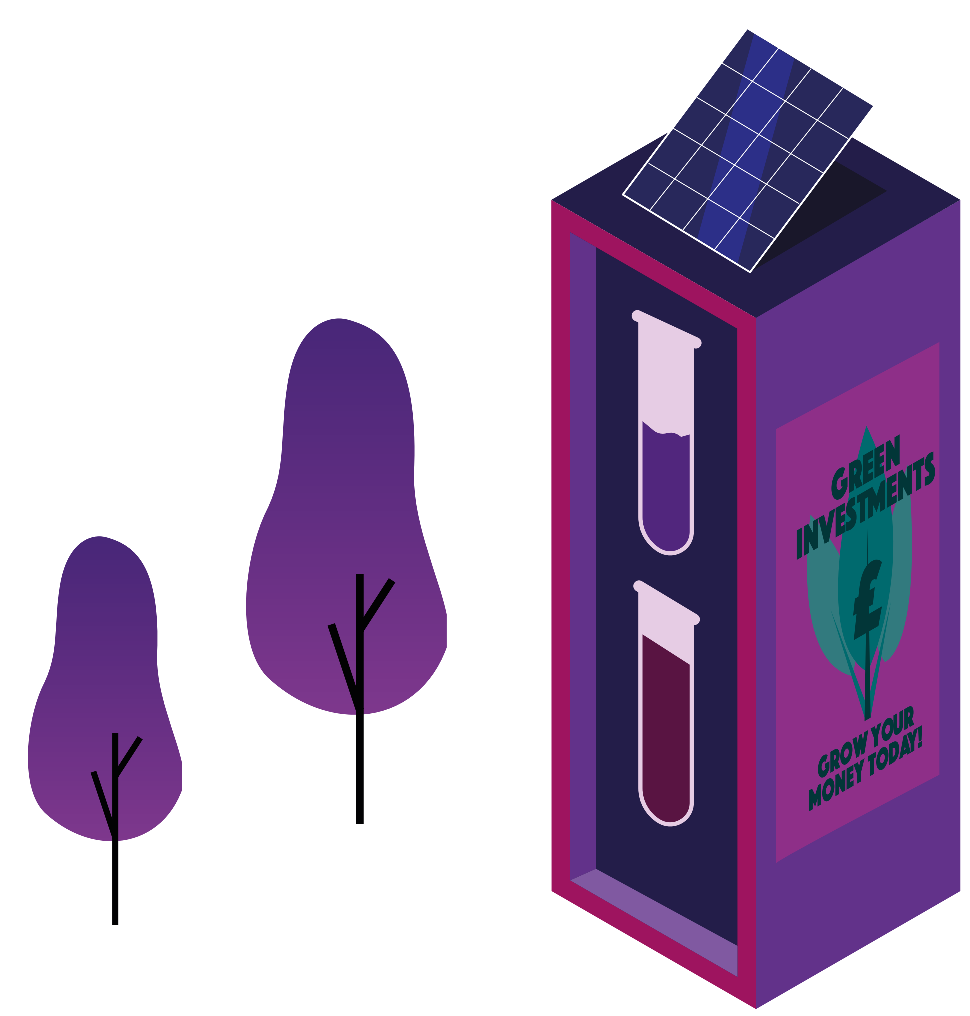
Politics: networked and technocratic power

Publics in all nations are now conscious of risk and there is increased pressure on politicians to prepare. The climate, unemployment, automation, the ageing population and immigration are top of the agenda.

The focus turned to multinational collaboration when dramatic step changes occurred in ecosystem degradation. Governments made shared commitments to turn this around.

Both liberal and conservative governments are taking top-down action to reduce austerity, improve inequality, regulate companies who do not act as good ‘corporate citizens’, and invest in clean energy.

After the pandemic, the more populist political factions in some countries (including the US and Brazil) fell out of favour. Global organisations have kept their funding and status, supported by philanthropists, and have exerted pressure to achieve global regulation on ‘fake news’, misinformation and digital abuse without restraining freedom of speech.



Economic: pressure to revolutionise economic thinking about value and justice

Change is driven by a move towards more progressive social values, which are shared through social media. International foundations are funding science and tech development to support new ways of doing business and sharing value. Venture capitalists and big fund managers see that investing based on old growth models will lead only to stranded assets and broken supply chains, so they now demand businesses to double down on stakeholder capitalism.

We are considering more deeply what our economies are for, and who and how they help. In state capitalism, more money is invested in long-term projects including atomic fusion, hydrogen, batteries, transportation, urban planning and care for people in later life.

By 2022, new taxes were emerging, including carbon taxes at borders and emission trading schemes. While employment rates have recovered, the decarbonisation of industry means productivity remains lower and real incomes are dampened. As a result, discretionary spending does not return to 2019 levels in many sectors.

The focus turned to multinational collaboration when dramatic step changes occurred in ecosystem degradation

Different social groups experienced different financial pressures, creating a desire for change

Consumers who can afford it are choosing based on ethics and safety, plus on environmental impact

Social values and demographics:
a more progressive world

The COVID-19 crisis made us aware of the vulnerability of humans. This world is driven by the desire for change, an awareness of fragility and a respect for diversity.

People are more aware of the negative effects of unchecked globalisation and feel that capitalism will need to pivot in order to meet the challenges ahead. Global warming, pandemics and ageing populations are already here and cannot be meaningfully reversed in the next decade.

On a social level, COVID-19 showed the systemic inequalities we were living with. Some experienced the health crisis comfortably in their second home while others were stuck in their small apartment in a big city. Different social groups experienced different financial pressures. This created a desire for change.

Brands and consumption:
frugal consumers, tech-enabled new materials, less waste

Companies are involved in social life and must make commitments to equal pay, integration of refugees, respect for identities, and other socially responsible activities.

Consumers who can afford it are choosing based on ethics and safety, plus on environmental impact. This has made businesses, now often run by younger people with socially progressive values, find new ways to collaborate. Many products compete on the brand level, but collaborate within the supply chain, reducing waste in manufacturing.

New financial models, such as sharing, leasing and crowdfunding, continue to grow. Traditional retail banks are being affected by crowdfunding. Intermediaries are less powerful, as people want to know to whom they are lending money, and what is being done with it.

Brands and companies have adapted to a more frugal consumer and the regulatory climate around waste and global supply chains. As there is so much appetite for new models of driving value, many new players emerge to disrupt categories, especially in accelerated sectors and to meet the needs of consumers who feel poorer. Ingredients matter more than ever, and traceability is key.

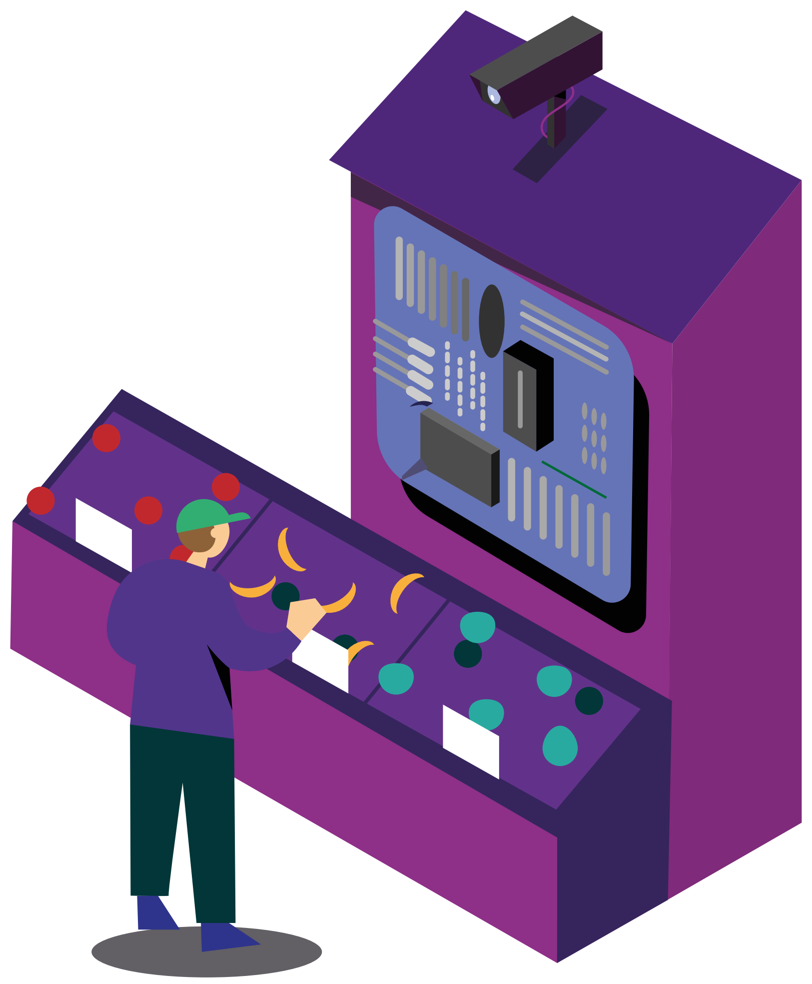
Economic recovery and a focus on technological solutions to global problems have pushed forward the advance of technology

Technological: operationalising tech to change global systems

Economic recovery and a focus on technological solutions to global problems have pushed forward the advance of technology. In agriculture, tech solutions have led to a more economical and efficient management of resources.

Green technology is desirable. The success of electric vehicles was amplified at first, but other energies are used, such as hydrogen, because it is less voracious in resources and rare materials. Incentives to renew vehicles are not limited to private cars; regenerating vans, trucks, construction and agricultural machinery of all sizes is encouraged and rewarded.

Tech companies have more local brands and cater to more local ecosystems, though the majors remain financial heavyweights and global. Privacy concerns inhibit the growth of technology. Many are uncomfortable with the collection and use of personal data, which pervades all aspects of life. Some protest against digital surveillance and their perception of 'government by algorithm'.



Veganism is increasingly prevalent and new biotech options for non-meat proteins are commonplace

Environment: a focus on real sustainability

Global governments and people are now aligned; many systems for achieving real sustainability are being trialled. There is an increased connection between sustainability and health. We see new cycles of surplus and scarcity, as governments impose new restrictions on access to scarce natural resources.

People understand that their consumption has a real impact on the environment and on the living conditions of workers and look to buy in a more selective and responsible way.

Veganism is increasingly prevalent and new biotech options for non-meat proteins are commonplace, plus there are global subsidies for sustainable agriculture.

Fractured Power

Increasingly fragile states

A slow economy and the complete collapse of several countries' ecosystems is creating a world of extremes

Starvation drives climate migration, infectious diseases affect the poor, and even the powerful economies of China and India struggle to contain civil protest. At the same time, a consumer economy and tech-driven innovation are still present in richer cities and nations, and borders are sealed. The values of younger and older, urban and rural, are in conflict.

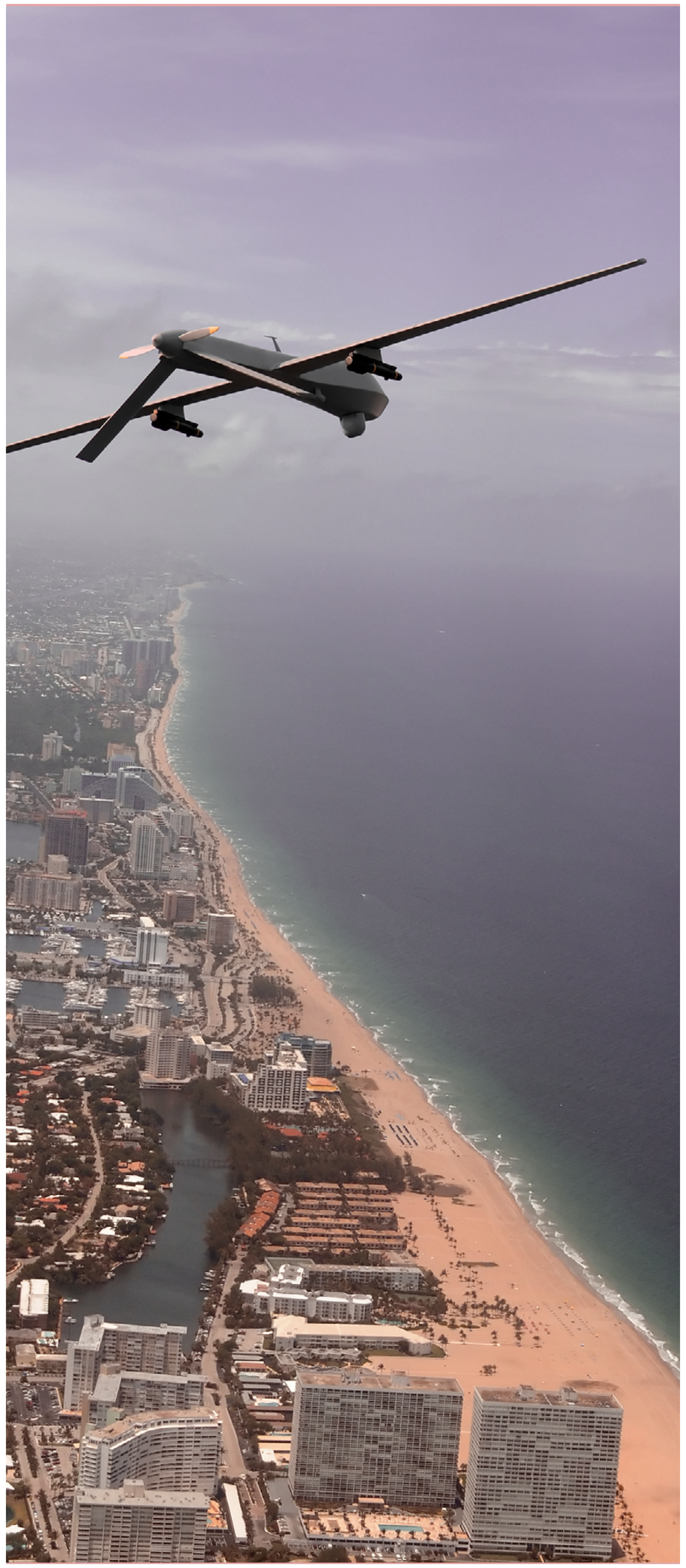
Vaccine refusal and supply issues mean that the COVID-19 disease continues to break out around the world, sending markets into chaos. Businesses start to weigh in on social issues, as states are failing to make progress.

At the same time, we start to see the beginnings of a new global settlement on how to manage economic change and climate emergency, and the discussion is starting – painfully – on how we should change our value system and our economy.

DIVERGENT PATHWAY

Fractured Power

In detail



A ‘subversive’ group has evolved, comprised of business and science leaders, supported by digital natives

Politics: conflict everywhere, but also the green shoots of a new world

This is a polarised world of instability and fragmentation. Little or no economic growth has combined with a very patchy rollout of COVID-19 vaccines and conflict over access to supplies. This has led to volatility in global markets, ravaged national and regional economies, foregrounded civil unrest and ignited extreme politics. States are struggling to control their populations, the largest and most powerful nations are sabre-rattling to preserve their primacy, and some previously stable democracies are under threat. COVID-19 was not entirely eradicated and many still live in a restricted, low-touch world.

As in the world of Transforming Power, some climate emergencies hit the world just as we were recovering from COVID-19. But ecosystem collapse didn’t lead to increased cooperation here, instead migration fuelled trade wars.

The Eurozone is fragile and in recession while the US is looking inwards and pursuing trade wars to secure its share of resources, including water and oil rights. Armed conflicts are brewing across the world. Russia, for example, has continued to invest in advanced weaponry for drone-based fighting, power grabbing in Georgia and Armenia.

Overall lack of trust in governments has led to low support for international institutions which tackle shared problems such as climate change. Multinational businesses are filling the gap; with their supply chains threatened, they have developed new business models to take on some public health challenges. A ‘subversive’ group has evolved, comprised of business and science leaders, supported by digital natives who have formed interest groups on the internet. So-called ‘benevolent authoritarians’ – the likes of Bill Gates, Jack Ma, Mark Zuckerberg, Elon Musk – propose to come at problems from a new direction.

The world is not entirely at ease with this direction, and many point out the ethical problems this creates. It is too soon to tell whether this will be the start of a beneficial global transformation or just another kind of power grab.

Some of these 'strong cities' create new alliances, preserve COVID-free areas and keep out unwanted climate migrants with strong borders

Economics: crashers and hackers

The world economy has fallen significantly, and nobody has been spared the effects. 'Middle-class' has been redefined; many traditional white-collar workers have been squeezed from the middle into the lower and working classes by automation.

International trade, while open, is stagnant as virus fears, trade wars and tariffs from 2023-24 have affected key tourism, airline and high-touch industries. In general, the rules of the road are hard to navigate as outdated trade models have been renegotiated.

There is closer integration of the Chinese markets into the global financial system. With more economic leverage, China maintains the upper hand. In the developing world, the number of people living in severe poverty (even in urban centres) has rocketed.

Immigration continues to follow work but is more likely to be drawn to emerging tech hubs. The only winners are those cities able to control their own supply chains and local economies. Some of these 'strong cities' import the labour they need from rural areas, create new alliances, preserve COVID-free areas and keep out unwanted climate migrants with strong borders. Within, workers live relatively affluent lives, but with restricted travel and high crime rates.

New alliances have formed globally in localised groups, internet communities, and among those with radical beliefs

Social values and demographics: a divided world

People in this world believe in one of two driving forces: global superpowers, or the fight of the underdog. The power divide is now between the 'underdog', grounded in a need to fight for the under-represented, and those who support the traditional powerbase.

New alliances have formed globally in localised groups, internet communities, and among those with radical beliefs. There is a sense of 'us and them' and social media is even more aggressive and polarised than it was in 2020. Social distancing, mask-wearing and extreme hygiene measures have become the norm, given overall distrust of COVID-19 vaccines and unreliability of supply. We are humbler about our relationship with the natural world and scared of future natural disasters, and around the world there are calls for innovation to build resilience.

Gaming is even more popular than it was in 2020 and many people work and live entirely in massive online multiplayer realities

Brands and consumption:
a focus on staying at home and ensuring basic quality

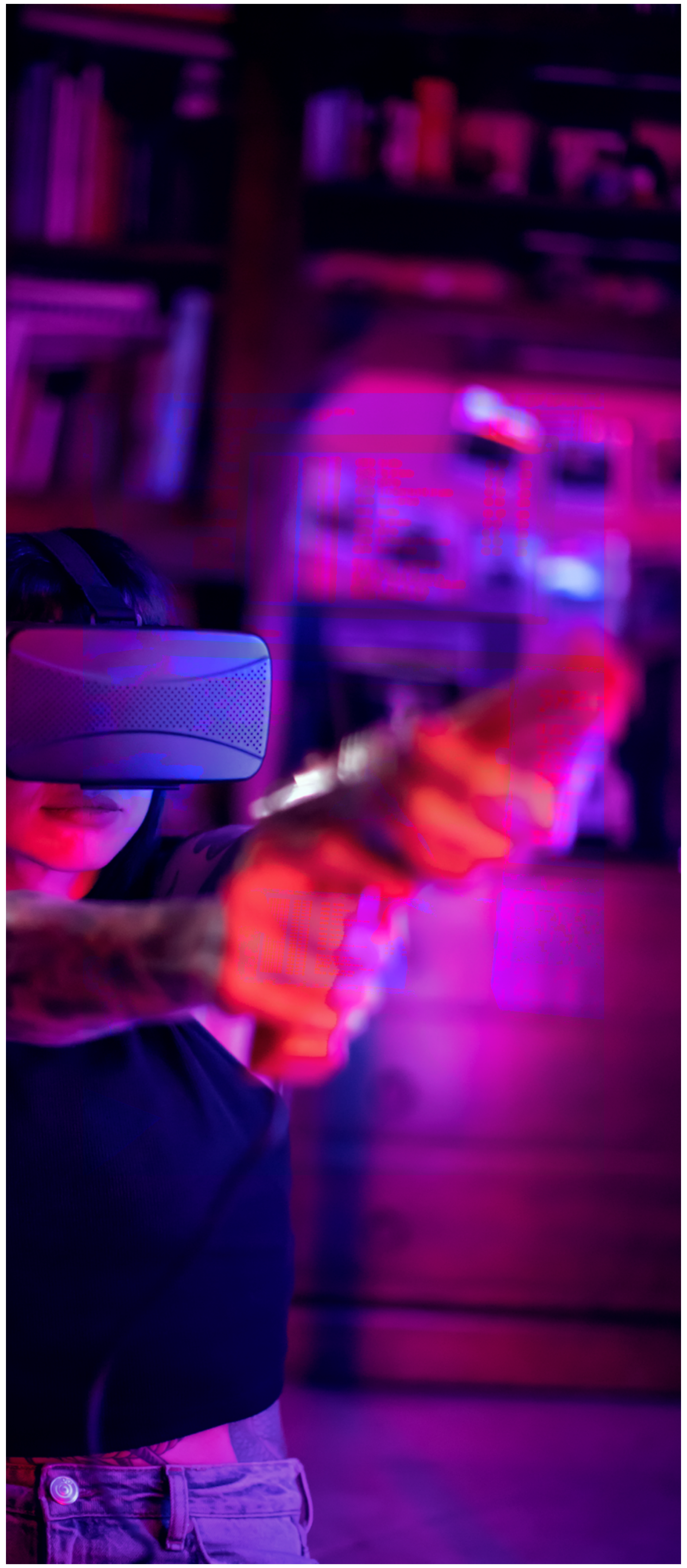
Corporate winners fall into two categories: premium services providing rare but much-needed high-touch experiences, and high-tech, low-touch categories.

Many of the young – who have suffered most from the economic fallout – are interested in self-sufficiency and free content. Youth art is a booming sector, due to high unemployment in this demographic, and underground theatre and art shows emerge alongside social media content.

The consumer mindset is very price-oriented, more open to de-branded or private label content. This leads to a renegotiation of consumption decisions and polarisation between premium and ‘everything else’, which is much more basic and of uncertain quality.

Gaming is even more popular than it was in 2020 and many people work and live entirely in massive online multiplayer realities.

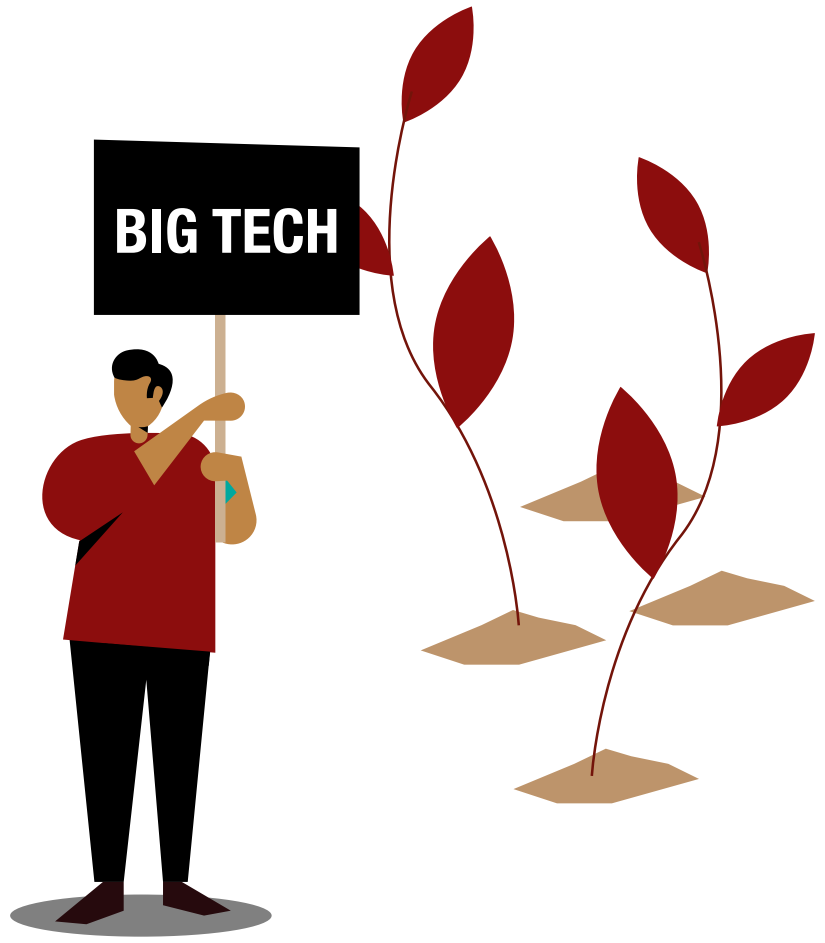
We see a bigger role for business in addressing social issues, where the state has failed to make progress. Tech companies have a particularly important role to play in engaging and offering employment/training opportunities to the young.



Nation states are collaborating less and working hard to beat the competition in key areas

Technological: a ‘wild west’ with unregulated innovation

Scientific knowledge is more easily shared, while bartering and quid pro quo across borders have become the norm. In the absence of a strong global regulatory climate, nation states are collaborating less and working hard to beat the competition in key areas, such as quantum computing, new weapons, citizen surveillance and efficiencies in administration and biotech.



On a global scale, the desire for change is dampened by the global depression

Environment: slower climate change due to dampened economies

Global warming remains an imminent threat, but is seen as less urgent than social disruption and economic instability. The social pressure to build a better, fairer world also applies to climate change: the young want to inherit a functioning earth and people are increasingly aware that the worst of climate change will hit the poor hardest.

However, on a global scale, the desire for change is dampened by the global depression and the continued if sporadic resurgence of COVID-19.

03 Using the pathways in decision-making

Four scenarios

But what's actually going to happen, and how can we spot it happening?

The world of 2025 (and beyond) may be based on the core pathway we have laid out, but it will also contain elements of all the others, and more. To find out what will happen, we can monitor the development of key events in the world.

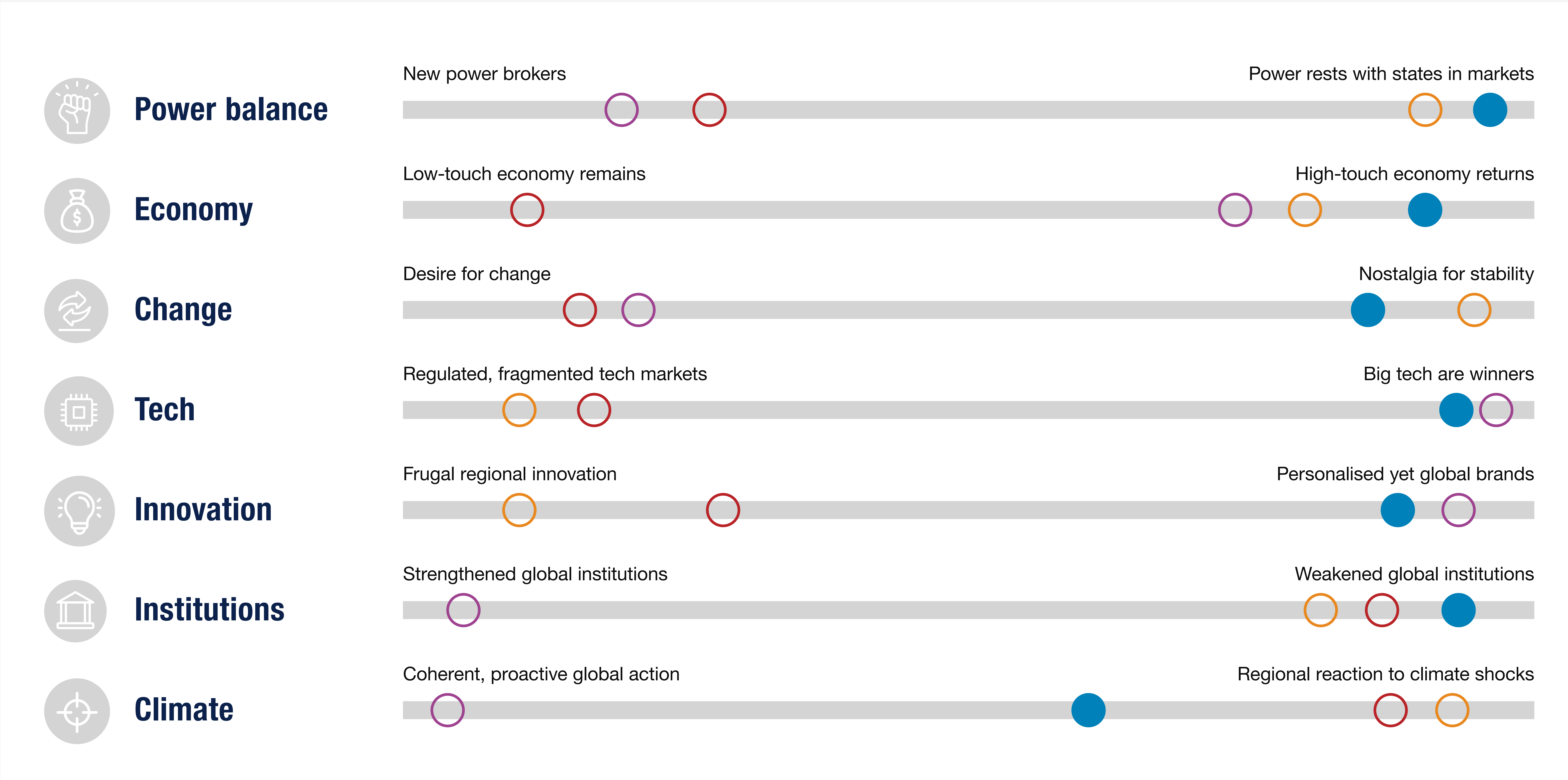
By applying our foresight, observing how the world, regions and specific sectors are evolving and tailoring these monitoring frameworks, we can help our clients understand the implications and act on the changes, new trends and/or scenarios as they emerge.

Monitoring alone is half of the equation, but it is just as important to build the learning and insight that futures thinking gives into an organisation's decision-making process. Organisations need to understand the impact of the evolving scenarios, to make decisions which help mitigate their challenges and take advantage of their opportunities.

At Ipsos, we bring a multidisciplinary perspective to creating our **monitoring frameworks** for clients. We first identify the metrics which are readily available for monitoring. This would include relevant hard data from economic or other institutional tracking data (from the WHO, UN, World Bank, etc). It would also include Ipsos' own social media analyses, consumer and citizen attitudinal trends and/or some Ipsos global indices of happiness, consumer confidence, public sentiment, tech adoption, or social cohesion. Finally, we look for real-world signals such as legislative change/ proposals, changing business models, social trends or new product innovations.

By grouping this evidence into key indicators, we see the shape of the future world emerging.

Global indicators of change



These stories as a toolkit

Working with Ipsos

We would like to help you use these narratives and indicators in a practical way, to help you successfully respond to your own immediate business challenges. Harnessing the power of foresight with Ipsos experts from our Futures Advisory Board and our local and regional subject experts, we offer advisory services to inspire constructive discussion upstream of key issues, helping you set your direction, and course-correct when it matters.

Our range of strategic workshops
Deep dive into each future narrative, the events which might occur, and what it means for you. Outputs include a framework for strategic decision-making and a roadmap for activation.

Monitor indicators of the future
To create an inspiring future for your organisation to track, we work with you to identify the dimensions of the future which are most important to you. You can track these using our monitoring framework, as we regularly update key indicators, giving you early sight of the future.

Want to know more?

Contact your local Ipsos contact or

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