

Strategic planning: Review of external data/information

Briefing theme: Global Societal Trends & Geopolitical Context

Background:

- The following briefing provides a short synthesis of the macro societal trends and geopolitical context that will shape all aspects of society over the decade to come. This is pertinent for the University of Calgary to consider as we embark on the development of our next strategic plan.

Key Trends Identified:

Although all of the following trends are bigger than the post-secondary sector, they directly impact the university, thus are worth mentioning (albeit briefly).

- **A shift to multipolarity and a changing global balance of power.** The world is increasingly characterized by the presence of multiple global powers, including the United States, China, Russia, and the European Union, among others. This has led to a more complex and fluid balance of power, with shifting alliances and relationships.
- **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.ⁱ
- **Growing geopolitical instability and conflict.** There are a range of geopolitical tensions and conflicts playing out across the world, including territorial disputes, economic rivalries, and ideological differences. These conflicts can take many forms, including cyber attacks, economic sanctions, and military aggression. 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.ⁱⁱ
- **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”.ⁱⁱⁱ High levels of dissatisfaction create appetite for radical alternatives. Culture wars are escalating, and these cultural clashes (young-old, rural-urban, rich-poor) contribute to polarization and in turn feed off of it.
- **Spread of misinformation, alternative “truths”, and a growing anti-science movement.** The spread of false information, fabricated evidence and the concept of “alternative truth” undermine the value of evidence and the role of science in society. Anti-science is the rejection of mainstream scientific views and methods or their replacement with unproven or deliberately misleading theories, often for nefarious and political gains. It targets prominent scientists and attempts to discredit them. It has increasingly become a key feature of the more radical political right around the world, and unfortunately Canada is not immune. The pandemic, and specifically the imposition of vaccine mandates, has given them a rallying cry and ability to organize unlike what we've seen before.^{iv}

Universities need to decide how to position themselves on this issue and find new and more effective ways to help counter this trend. Some have suggested that universities should be playing a leadership role in publicly countering this narrative and defending science, while others counter that the universities need to enter this arena with some caution so as to not appear too elite or condescending and risk disenfranchising further swaths of the population.

- **Simultaneous globalization and nationalism.** The world is more interconnected than ever before, with globalization and digital communication facilitating trade, travel, and collaboration across borders. This has both positive and negative implications, including economic growth, cultural exchange, and the spread of ideas and values, as well as increased vulnerability to cyber attacks, pandemics, and other global risks.

In many parts of the world, there has also been a rise in nationalist and populist movements, driven by concerns over immigration, economic inequality, and cultural identity. 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 – 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.^v

- **Demographic shifts leading to a generational handover.** The global population is growing, ageing and urbanising. By 2030, there will be more than a billion people over 65 – 12% of the global population (up from 8.5% in 2015). Two thirds of the global population will live in cities, and a growing number – particularly in Africa and Asia – in megacities. Migration, both within and between countries, is also increasing.^{vi}
- **Growing social and economic inequality.** A characteristic of our time is growing social and economic inequality (globally as well as in Canada). Income inequality began to rise in Canada in the early 1990s and continues to do so. The inequalities in our community became particularly pronounced during the pandemic, as the individuals in the most precarious work roles were the same individuals that had to physically be in-person during the pandemic (i.e. the most likely to be considered essential).
- **Longer-term economic slowdown.** Although most regions of the world are preparing for recessions and slower economic growth in the short-term, in the medium-term many are expecting the global economy will stabilize at a growth rate in the range of 2.6% annually. The aging workforce across many mature and large emerging market economies will have a material dampening effect on the growth of labor and capital. As these quantitative drivers of growth slow, productivity increases will become more important drivers of output and revenue growth.^{vii}

The economic outlook for Canada is particularly concerning. The OECD predicts that Canada will achieve real per capita GDP growth of 0.7% annually this decade – this places Canada last compared to OECD peers. This is due to both low expected growth in output per hour worked (labour productivity) and a modest drag from hours worked per head of population (labour utilisation).^{viii}

- **Technological innovation.** The next decade is likely to see continued rapid advancement and adoption of emerging technologies, including artificial intelligence, blockchain, and quantum computing, as well as continued evolution of existing technologies such as automation.

[Note, a separate briefing has prepared about the trends in technology disruption and digital transformation, thus although this is a significant global trend (captured here briefly, for completeness' sake), please refer to the other briefing for more information about this trend.]

- **Growing concerns about climate change, and sustainability more broadly.** As extreme weather events become more frequent and intense, the impacts are likely to be felt across all regions, sectors, and systems. Risks to health, livelihoods, food security, water supply, human security, and economic growth are all projected to be affected. While the magnitude of the impacts will be determined by the degree of global warming, the trend is certain to continue unless the world can

meet its commitments to reduce net carbon emissions to zero. Climate modelling shows the actions taken over the next few years will be critical to avoiding more extreme impacts, with costs ranging in the billions—if not trillions—of dollars. While climate change is weighted heavily on the risk side, opportunities exist as well. Bloomberg expects at least US\$5 trillion to be invested in new renewable energy capacity by 2030.^{ix}

- **Growing focus on environmental, social and governance (ESG) responsibilities.** International recognition of the need for urgent action on climate and other ESG challenges has led to increased pressure on governments and industry to demonstrate stronger commitments in these areas. Transparent disclosure and proactive reporting are becoming the norm. In many cases, these commitments are moving from voluntary programs to regulatory requirements and prompting convergence around ESG standards and targets. While the trend is raising the cost of doing business across sectors, it also opens opportunity to enhance returns and access cheaper credit. Going forward, performance in these areas will offer some a competitive advantage and price others out of the market. The risk here is that many companies may not be ready for these changes or haven't appropriately factored in transitional costs.^x
- **Growing focus on equity, diversity and inclusion.** It goes without saying that there has been tremendous awakening and as a result pressure from our community to do more in this area following the death of George Floyd in Spring 2020 and the global movement that followed. This will of course be an important area for all universities to demonstrate meaningful action.
- **Materialism and post-materialism attitudes and lifestyles diverging.** The ways in which individuals measure their status and success varies dramatically across countries. For example, In India and China, 60-70% of people say they measure their success by the things they own, while only 25% of Canadians agree.^{xi} 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. However, the consumerist lifestyle retains a strong appeal in many parts of the world, where people have not yet had a chance to enjoy it.^{xii}

ⁱ Romei, V. & Reed, J. (2019). The Asian century is set to begin. Retrieved from <https://www.ft.com/content/520cb6f6-2958-11e9-a5ab-ff8ef2b976c7>.

ⁱⁱ World Business Council for Sustainable Development (2020). Macrotrends and disruptions shaping 2020-2030. Retrieved from https://docs.wbcsd.org/2020/05/WBCSD_V2050IB_Macrotrends_Disruptions_20202030.pdf.

ⁱⁱⁱ IPSOS (2017). Global Trends in Fragmentation, Cohesion & Uncertainty. Retrieved from <https://www.slideshare.net/IpsosMORI/ipsos-global-trends-2017>.

^{iv} Hotez, P. (2021). The Antiscience Movement Is Escalating, Going Global and Killing Thousands. Retrieved from <https://www.scientificamerican.com/article/the-antiscience-movement-is-escalating-going-global-and-killing-thousands/>.

^v World Business Council for Sustainable Development (2020). Macrotrends and disruptions shaping 2020-2030. Retrieved from https://docs.wbcsd.org/2020/05/WBCSD_V2050IB_Macrotrends_Disruptions_20202030.pdf.

^{vi} World Business Council for Sustainable Development (2020). Macrotrends and disruptions shaping 2020-2030. Retrieved from https://docs.wbcsd.org/2020/05/WBCSD_V2050IB_Macrotrends_Disruptions_20202030.pdf.

^{vii} Conference Board (2022). Global Economic Outlook 2023. Retrieved from <https://www.conference-board.org/topics/recession/2023-global-recession-fears-resurface-risks-mount>.

^{viii} OECD (2021). The Long Game: Fiscal Outlooks to 2060. Retrieved from <https://www.oecd-ilibrary.org/deliver/a112307e-en.pdf?itemId=%2Fcontent%2Fpaper%2Fa112307e-en&mimeType=pdf>.

^{ix} EDC (2021). Top ten global trends in 2021. Retrieved from <https://www.edc.ca/en/article/edc-top-10-trends-2021.html>.

^x EDC (2021). Top ten global trends in 2021. Retrieved from <https://www.edc.ca/en/article/edc-top-10-trends-2021.html>.

^{xi} IPSOS (2017). Global Trends in Fragmentation, Cohesion & Uncertainty. Retrieved from <https://www.slideshare.net/IpsosMORI/ipsos-global-trends-2017>.

^{xii} World Business Council for Sustainable Development (2020). Macrotrends and disruptions shaping 2020-2030. Retrieved from https://docs.wbcsd.org/2020/05/WBCSD_V2050IB_Macrotrends_Disruptions_20202030.pdf.