

CORPORATE CITIZENS WILL ADOPT A GREEN,
SOCIO-PLANETARY AGENDA THAT WILL BE
A SOURCE OF EMPLOYEE INNOVATION,
ATTRACTION AND RETENTION.

more than 246 million people aged 85 and over, 60% of whom will live in Asia.

The age of change is also that of the change of age. In the West, the workforce participation of older workers will return to levels recorded in the 1940s, i.e. a period before the advent of the pension plans and generous social programs that brought the “golden age to golden agers.” For example, in 2000 only 26% of Belgians and 29% of Italians over fifty-five were still working.

It will also be an age of urbanization since most of the new population will live in cities or megalopolises, a shift that will have a significant impact on the environment and on resources. More people will also mean more hands in the cookie jar and depleting resources. About 40% of the best arable land has been over-exploited; over-

fishing has cleaned out half the planet’s schools of fish; close to a billion barrels of oil have been consumed in the last 30 years; more than 32 million acres of forest are destroyed each year; and 15 million acres of desert have been created. What’s more, 17,000 animal, aquatic and plant species are now threatened with extinction.

In turn, urbanization, agriculture and the climate all affect our access to fresh water: one person in eight now suffers from a lack of drinking water and 3.5 million people die from this lack each year. In fact, half the world’s hospital beds are occupied by patients whose condition is in some way related to water. At the same time, 1 billion people are suffering from malnutrition. In 2020, we will have to produce 640 million more tons of grain than we did in 1997 (41%

will go to Asia) and catch 95 million more tons of fish than in 1995.

We could also discuss at length the impact of the population on energy, more specifically on the demand for hydrocarbons. But a simple image will suffice: to meet the needs of new Chinese drivers (who ironically received US\$23 million in fuel subsidies in 2007), we would need the oil equivalent of another Saudi Arabia or to prohibit drivers’ from using their vehicles two days a week in Europe and North America.

In his bestseller, *The Revenge of Gaia*, John Lovelock describes the Earth’s natural feedback system to offset the damage inflicted on it. The 235,000 deaths and the displacement of 200 million people triggered by meteorological disasters in 2008, which cost around US\$180 billion, lend credence to his theory of a dangerous and irreversible process. With 40% of the Arctic ice cap having melted, millions of tons of methane ready to be released and accelerate global warming, and over 135 million people living a metre below sea level, will climate change become public enemy number one? It may appear to some that after the industrial and technology revolutions, we’ve finally entered the green technology revolution in the energy, transportation, construction, agriculture, and waste management industries.

STRATEGIC IMPLICATIONS FOR HR MANAGEMENT

- The age of Asia centrism, with its fast-paced development and inherent risks, will call for specific plans, including programs to learn Oriental values and languages and promote exchanges.
- Corporate citizens will adopt a green, socio-planetary agenda that will be a source of employee innovation, attraction and retention.
- Dealing with the repercussions of climate change will require human resources who are able to manage new business, operating, procurement and risk/crisis management models.
- Demographic differences will require strategies that minimize the cost of aging and optimize the benefits of young populations. Companies will also have to be able to integrate multicultural, student and sometimes older workers.

GLOBALIZATION

Trade globalization was widespread well before Canada was discovered by the Europeans. Later, at the beginning of the 20th century, Sun Life partners set off from Montreal for Latin America, Africa and Asia to establish life insurance companies in these regions. Armed with a large trunk, a spirit of adventure and travelling by ocean liner, these pioneers were sometimes able to globalize their business faster than today’s executives can with a private jet or a blackberry. But what has changed in recent decades is the more extensive range of trade



and greater economic integration, which have contributed to global prosperity and introduced two important variables: new players and economic interdependence.

New players

Lenovo, Cemex, Tata, Infosys, Vale, Ranbaxy and Embraer are all brands that originated in so-called third-world countries in our parents' time. The International Monetary Fund now confirms that the GDP of emerging and developing countries will overtake the share of the global GDP of the advanced economies within the next three years, rising from the 30% recorded in the 1980s and 1990s to 53%. This rapid increase stems from the emerging nations' demographic advantage, the modernization of their eco-


nomies and the liberalization of trade and financial markets. Their natural resources or simply their geographic location are also often contributing factors.

Accordingly, most of the 300 million new workers that will enter the workforce by 2020 will live in one of these countries. In 2020, 488 million new households (including 306 million in China and India) will have a disposable income ranging from US\$5,000 to US\$15,000 and average consumer spending in these emerging nations will amount to US\$6,450 (versus US\$28,000 in the G7 countries). In 2020, the per capita GDP for all BRIC countries (Brazil, Russia, India and China) will be one-third of that of the G7 nations despite their having four times the population. In 2030, 1.2 billion people will

belong to the middle classes, compared to 430 million in 2000 (China and India will account for one-third of this explosion).

Economic interdependence

In this global economic village, value can be quickly created, but destruction can spread even faster and is highly contagious. That's why a financial crisis that started in a few American institutions in 2008 was able to spark a European bank crisis (which will have cost over 800 billion euros), which then contaminated the rest of the world's economies. The demand crisis and that of public balance sheets, together with sudden currency and market fluctuations, have plunged the 21st century into its first global recession. A recovery is on the horizon, but we must be patient and resilient. It may be viewed through a "3D" (deglobalization, debt reduction and deconsumerism) lens, as well as from a perspective of long-term interdependence.

By conducting a similar study of the other two megatrends (geopolitics and governance and science and technologies), any HR department can determine the long-term repercussions, uncertainties, risks and opportunities facing its organization. In a period marked by chaos and the unexpected, it's not because nothing is certain that we should be certain of nothing. Conducted properly, this exploration of the future should lead to strategic thinking that promotes the development of a proactive action plan and appropriate HR management solutions. 

THE WORLD IN 3D		
Deglobalization Redrafting globalization	Debt reduction Rebalancing finances	Deconsumerism Rethinking spending
State capitalism, interventionism, new regulations and growing economic rivalry	Capital losses, job or operating losses	End of the easy credit era
Commercial, financial and political regionalism	Individuals, corporations and governments will be forced to clean up their balance sheets	Decreased spending, increased saving
Economic security and diversity	Limit to credit and lenders' and taxpayers' tolerance	Job insecurity
Local trade (in response to transportation costs and mercantilism)	Pursuit of a better credit rating	Return of higher natural-resource prices
Economic decoupling (EU/US/Asia) and rise of a more autonomous Asian pole	Sluggish recovery, less financial risk, greater liquidity	"Green inflation"
	Fragility and new rules in the banking sector	Anticipated hike in public service costs or taxes
	Higher interest rates and credit standards	Questioning of material well-being and voluntary frugality
	Catch-up in respect of emerging countries (and capital surplus)	Growing environmental awareness
		Aging of the population