

FIVE META-TRENDS THAT ARE CHANGING OUR WORLD*

explored by

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INTRODUCTION

Last year, I received an e-mail from a long-time Australian client, requesting “five meta-trends that will have the largest impact on global human psychology.” The wording of the brief request gave the impression that they were ordering five off-the-shelf commodities which we could pull from stock and ship in seven days. Moreover, the term “meta-trend,” while increasingly in common use, lacks specificity as a contract deliverable. I asked them to describe what they meant by “meta-trend.”

The client, The Meikle Files (www.meiklefiles.com.au), provides leadership development and career coaching for executives of multi-national firms. They replied that they were looking for “future trends that would most powerfully affect human consciousness and behavior around the world.”

The Greek root “meta” clearly denotes a transformational or transcendent phenomenon, not simply a big, pervasive one. A Google search on “meta-trend” turned up a rich diversity of uses, almost all of which clearly involve convergent or catalytic change, as opposed to linear or sequential change.

“The Oxford English Dictionary and Google,” I wrote back to the client, “agree that ‘meta-trend’ would most appropriately be defined as an evolutionary, system-wide development arising from the simultaneous occurrence of a number of individual demographic, economic and technologic trends.”

“Each of **your** ‘meta-trends,’” I concluded, “is simply one individual free-standing global trend. Each of **my** ‘meta-trends’ is a composite scenario of trends.” The client immediately accepted my definition, and the following five essay-scenarios were the result.

TREND 1 – Cultural modernization

Around the world over the past generation, the basic tenets of modern cultures – equality, personal freedom, self-fulfillment, etc. – have been eroding the domains of traditional cultures – which value authority, filial obedience and self-discipline, etc. The children of traditional societies are growing up wearing Western clothes, eating Western food, listening to Western music and (most important of all) thinking Western thoughts. Most Westerners – certainly most Americans – have been unaware of the personal intensities of this culture war, because we are so far away from the “battle lines.” Moreover, in the West, we regard the basic institutions of modernization – universal education, meritocracy, civil law, etc. – as benchmarks of social progress, while the defenders of traditional cultures see them as threats to social order.

Demographers have identified six “social indicators” as key measures of the extent to which a nation’s culture is modern. These indicators are:

- Average level of education for men
- Average level of education for women
- Percentage of population that lives in urban vs. rural areas
- Percentage of work force that is salaried vs. self-employed
- Percentage of salaried workforce that are women
- Percentage of GDP spent on institutionalized socio-economic support services (insurance, pensions, social security, civil law courts, workman’s compensation and unemployment benefits, welfare, etc.)

As each of these indicators rises in a society, the birthrate in that society goes down. The principal measurable consequence of cultural modernization is declining fertility. As the world’s developing nations have become better educated, more urbanized and more institutionalized over the past twenty years, their birthrates have fallen dramatically. In 1988, the U.N. forecast that the world’s population would double – to twelve billion souls – by 2100. But in 1992, the estimate was dropped to ten billion, and the U.N. currently expects global population to peak at 9.1 billion in 2100, after which, demographers expect the world’s population will begin to slowly decline, as Europe and Japan have already begun to do. The effects of cultural modernization on fertility are so powerful that they are reflected clearly in local vital statistics. In India, urban birthrates are similar to those in the U.S., while rural birthrates remain unmanageably high. ***Cultural modernization is the linchpin of human sustainability on planet earth.***

The forces of cultural modernization, accelerated by economic globalization and the rapidly spreading wireless telecommunications info-structure, are likely to marginalize the world’s traditional cultures well before the Century is over. And because the well-springs of modernization – the secular industrial economies – are so

unassailably powerful, terrorism is the only means by which the defenders of traditional culture can fight to preserve their values and way of life. In the near-term future, most observers believe that ongoing cultural conflict is likely to produce at least a few further extreme acts of terrorism, security measures notwithstanding. But the eventual intensity and duration of the overt, violent phases of the ongoing global culture war are largely matters of conjecture. So too are the expert pronouncements of the probable long-term impacts of 9/11 and terrorism on American priorities and behavior.

After the 9/11 attacks, social commentators speculated extensively that those events would change America. Pundits posited that we would become more motivated by things of intrinsic value – by children, family, friends, nature, personal self-fulfillment, etc. – and that we would see a sharp increase in people pursuing pro-bono causes and public service careers. A number of media critics predicted that our popular entertainment – TV, movies, games, etc. – would feature much less gratuitous violence after 9/11. None of that has happened!! Nor have Americans become more attentive to international news coverage. Media surveys show that the average American reads **less** international news now than before 9/11! Event-inspired changes in behavior are generally transitory. Even if the current conflict produces further extreme acts of terrorist violence, these seem unlikely to alter the way we live or make daily decisions. Studies in Israel reveal that its citizens have become habituated to their terrible circumstances. The daily routine of life remains the norm and the random acts of terrorism remain just that: random events for which no precautions or mind-set can prepare us or significantly reduce our risk.

In summary, cultural modernization will continue to assault the world's traditional cultures, provoking widespread political unrest, psychological stress and social tension. Individual human consciousness will be the battleground on which the struggle between tradition and modernization will be fought. But in the developed nations, where the great majority of the population embrace the tenets of modernization, and where the threats from cultural conflict are manifested in occasional random acts of violence, the ongoing confrontation between tradition and modernization seems likely, at most, to produce security measures that will merely inconvenience us, but do little to alter our basic personal decision-making, values or day-to-day life. In particular, the developed nations are unlikely to make any serious attempts to restrain the spread of cultural modernization or its driving force, economic globalization.

TREND 2 – Economic Globalization

On paper, globalization poses the long-term potential to raise living standards and reduce the costs of goods and services for all, worldwide. But the short-term marketplace consequences of free trade threaten people and enterprises in both developed and developing nations with potentially insurmountable competition. For

most people around the world, the threat from foreign competitors is regarded as much greater than the threat from foreign terrorists. Of course, risk and uncertainty in daily life is characteristically high in developing countries. In the developed economies, however, where formal institutions sustain order and predictability, trade liberalization poses unfamiliar risks and uncertainties for many enterprises, and appears to be affecting the collective psychology of both blue collar and white collar workers – especially males – who are increasingly unwilling to commit themselves to careers in fields that are likely to be subject to low-cost foreign competition.

Strikingly, surveys of young Americans show little sign of xenophobia in response to the millions of new immigrant workers with whom they are competing in the domestic job market. However, they feel hostile and helpless at the prospect of competing with Chinese factory workers and Indian programmers overseas. And, of course, economic history tells us that they are justifiably concerned. In those job markets that supply untariffed international industries, a “comparable global wage” for comparable types of work can be expected to emerge worldwide. This will raise the workers’ wages for freely-traded goods and services in the developing nations, while depressing the wages for comparable work in the mature industrial economies. To earn more than the comparable global wage, labor in the developed nations will have to perform *incomparable* work, either in terms of their productivity, or the superior characteristics of the goods and services that they produce. The assimilation of mature information technology throughout all production and education should make this possible, but the developed economics have not yet begun to mass-produce a new generation of high value-adding, middle income jobs.

Meanwhile, in spite of the undeniable short-term economic discomfort that it causes, the trend toward continuing globalization has immense inertia behind it. Since WWII, imports have risen from 6% of world GDP to over 22%, growing steadily throughout the Cold War, and even faster since 1990. The global dispersion of goods production and the uneven distribution of oil, gas and critical minerals worldwide have combined to make international interdependence a fundamental economic reality, and corporate enterprises are building upon that reality. Delays in globalization, like the October, 2003 contretemps in Cancun, will arise as the remaining, politically sensitive issues are resolved, including trade in farm products, professional and financial services, and the need for corporate social responsibility. While there will be enormous long-term economic benefits from globalization in both developed and developing nations, the short-term disruptions in local domestic employment will make free-trade an ongoing political issue which will be manageable *only so long as domestic economies continue to grow*.

TREND 3 – Universal Connectivity

While information technology (IT) continues to inundate us with miraculous capabilities, so far, only **one** of our newly-acquired technologically-enhanced powers

appears to have had a significant impact on our collective behavior: our improved ability to communicate with each other, any where, any time. Behavioral researchers have found that cell phones, used by 2/3 to 7/8 of the populations in all mature industrial countries

- have blurred or changed the boundaries between work and social life; (i.e. more and more of us are “always on duty”),
- have blurred or changed the boundaries between personal and public life, (people in public places routinely use their cell phones to loudly discuss personal matters within earshot of crowds of strangers, reinforcing privacy research, which has shown that *most people’s desire for privacy applies to a relatively small area of their personal lives*), and
- have also increased users’ propensity to “micro-manage their lives, to be more spontaneous, and therefore, to be late for everything.”

Most recently, instant messaging (IM) – via **both** cell phones **and** on-line computers – has begun to have an even more powerful social impact than cell phones themselves, because IM initially tells a user whether the person they wish to call is “present” in cyberspace (that is, whether they are actually on-line at the moment.) Those who **are** present, even though they may be thousands of miles away, can be messaged immediately, in much the same way as a person might look out the window and call to a friend they see in the neighbor’s yard. Instant messaging gives a physical reality to cyberspace. It adds a new dimension to life: a person can now be “near, “distant,” or “in cyber-space.” With video-instant messaging – available now, and widely available in three years – the illusion will be complete. We will have achieved what Frances Cairncross, Senior Editor, *The Economist*, has called “the death of distance.”

Universal connectivity will be accelerated by the integration of the telephone, cell phone and other wireless telecom media with the Internet. By 2010, all long-distance phone calls, plus one-third of all local calls, will be made over the Internet, while 80% to 90% of all Internet access will be made from Web-enabled phones, PDA’s and wireless laptops. Most important of all, in less than a decade, 1/3 of the world’s population – two billion people – will have access to the Internet, largely via Web-enabled telephones. In a very real sense, the Internet will be the “Information Highway” – the infrastructure, or “info-structure,” for the computer age. The info-structure is already speeding the adoption of flex-place employment, and reducing the volume of business travel, while making possible increased “distant collaboration,” outsourcing and off-shoring. More over, as the first marketing medium with a truly global reach, the Internet will also be the crucible from which a global consumer culture will be forged, led by the first global youth peer culture. By 2010 , we will truly be living in a global village, and cyberspace will be the town square.

TREND 4 – Transactional Transparency

Long before the massive corporate malfeasance at Enron, Tyco and WorldCom, there was a rising global movement toward greater “transparency” in all private and public enterprise. Originally aimed at kleptocratic regimes in Africa and the former Soviet states, the movement has now become universal, with the establishment of more stringent international accounting standards and more comprehensive rules for corporate oversight and record-keeping, plus a new United Nations treaty on curbing public sector corruption. Because secrecy breeds corruption and incompetence, there is a growing worldwide consensus to expose the principal transactions and decisions of **all** enterprise to public scrutiny. But in a world where most management schools have dropped all ethics courses and business professors routinely preach that government regulation thwarts the efficiency of the marketplace, corporate and government leaders around the world (including the U.S.) are lobbying hard **AGAINST** transparency mandates for the private sector, on the grounds that such openness would “tie their hands,” “reveal secrets to their competition” and “keep them from making a fair return for their stockholders.”

Corporate management, especially in the U.S., is resolutely committed to the notion that secrecy is a necessary concomitant of leadership. But pervasive, ubiquitous computing and comprehensive electronic documentation will ultimately make all things transparent, and this may leave many leaders and decision-makers feeling uncomfortably exposed, especially if they were not provided a moral compass prior to adolescence. Hill and Knowlton, an international public relations firm, recently surveyed 257 CEO’s in the U.S., Europe and Asia regarding the impact of the Sarbanes-Oxley Act’s reforms on corporate accountability and governance. While over 80% of respondents felt that the reforms would significantly improve corporate integrity, 80% said they also believed the reforms would not increase ethical behavior by corporate leaders.

While most consumer and public interest watchdog groups are demanding even more stringent regulation of big-business, some corporate reformers argue that regulations are often counter-productive and always circumventable. They believe that only 100% transparency can assure both the integrity and competency of institutional actions. In the law courts of the world – and in the court of public opinion – the case for transparency will increasingly be promoted by non-governmental organizations (NGOs) – e.g. the Rainforest Coalition, Oxfam, Global Witness, etc. – who will take advantage of the global info-structure to document and publicize environmentally and socially abusive behaviors by both private and public enterprises. The ongoing battle between institutional and socio-ecological imperatives will become a central theme of Web newscasts, Netpress publications and Weblogs that have already begun to supplant the traditional media networks and newspaper chains among young adults worldwide, many of whom will sign up with NGOs to wage under-cover war on “corporate criminals.”

In a global marketplace where corporate reputation and brand integrity will be worth \$billions, business' response to this guerilla scrutiny will be understandably hostile. In their recently-released *Study of Corporate Citizenship*, Cone/Roper (a corporate consultant on social issues) found that a majority of consumers "are willing to use their individual power to punish those companies that do not share their values." Above all, our improving comprehension of humankind's multiple interactions with the environment will make it increasingly clear that total transparency will be crucial to the security and sustainability of a modern global economy. There will be skullduggery, bloodshed and heroics before total transparency finally becomes international law – fifteen to twenty years from now.

TREND 5 – Social Adaptation

The forces of cultural modernization – education, urbanization, institutional order, etc. – are producing social change in the developed world as well as in the developing nations. During the 20th Century, it became increasingly apparent to the citizens of a growing number of modern industrial societies that neither the Church nor the State were omnipotent, and that their leaders were more or less ordinary people, not all that different from themselves. This realization has led the citizens of modern societies to assign less weight to the guidance of their institutions and their leaders, and to become more "self-regulating." U.S. voters increasingly describe themselves as "Independents," and the fastest-growing Christian congregations in America are non-denominational.

Since the dawn of recorded history, societies have adapted to their changing circumstances. Moreover, cultural modernization has freed the societies of mature industrial nations from many strictures of church and state, giving people much more freedom to be individually adaptive. And, we can be reasonably certain that modern societies will be confronted with a variety of fundamental changes in circumstance during the next 5, 10, 15 years that will, in turn, provoke continuous widespread adaptive behavior, especially in America.

If info-mation and off-shoring eliminate large numbers of U.S. middle-income jobs, for example, couples are likely to work two low-pay/low-skill jobs to replace the income. If our employers ask us to work from home to reduce the company's office rental costs, we will do so, especially if the arrangement permits us to avoid two hours of daily commuting or to care for our offspring or an aging parent.. If a wife is able to earn more money than her spouse, U.S. males are increasingly likely to become house-husbands and take care of the kids. If we are in good health at age 65, and still enjoy our work, we probably won't retire, even if that's what we've been planning to do all our adult lives. If adult children must move back home after graduating from college in order to pay down their tuition debts, most families adapt accordingly.

Each such lifestyle change reflects a personal choice in response to an individual set of circumstances. And, of course, much adaptive behavior is initially undertaken as a *temporary* measure, to be abandoned when circumstances “return to normal.” During WWII, millions of women voluntarily entered the industrial workplace in the U.S. and the U.K., for example, but returned to the domestic sector as soon as the War ended and a prosperous “normalcy” was restored. But the “aging” of mature industrial societies and the “Information Revolution” are scarcely temporary phenomena – which suggests that at least some recent innovations in life-style are precursors of long-term, or even permanent changes in society.

The current propensity to delay retirement in the U.S. began in the mid-1980s, and accelerated in the mid-1990s. Multiple surveys confirm that delayed retirement is much more a result of increased longevity and reduced morbidity, than it is the result of financial necessity. A recent AARP survey found that over 75% of Baby Boomers plan to work into their 70s or 80s, *regardless of their economic circumstances*. If the Baby Boomers choose to age on the job, the widely-prophesied mass-exodus of retirees will not drain the workforce during the coming decade, and Social Security may be actuarially sound for the foreseeable future.

The Industrial Revolution in production technology certainly produced dramatic changes in society. Before the steam engine and electric power, 70% of us lived in rural areas; today 70% of us live in cities and suburbs. Before industrialization, most economic production was home or family-based; today, economic production takes place in factories and offices. In pre-Industrial Europe and America, most households included two or three adult generations – plus children – while the great majority of households today are nuclear families with one adult generation and their children.

Current trends in the U.S., however, suggest that the three great cultural consequences of industrialization – the urbanization of society, the institutionalization of work, and the atomization of the family – may all be reversing, as people adapt to their changing circumstances. The U.S. Census Bureau reports that, during the 1990’s, Americans began to migrate out of cities and suburbs, into exurban and rural areas for the first time in the 20th Century. Simultaneously, information work has begun to “migrate” out of offices and into households. Given the recent accelerated growth of telecommuting, self-employment and contingent work, 1/4 to 1/3 of all gainful employment is likely to take place at home within 10 years. Meanwhile, growing numbers of Baby Boomers find themselves living with BOTH their debt-burdened, under-employed adult children AND their own increasingly dependent aging parents. The recent emergence of the “sandwich household” in America resonates powerfully with the multi-generational, extended families that commonly served as society’s safety nets in pre-industrial times.

LEADERSHIP IN CHANGING TIMES

The foregoing meta-trends are not the only watershed developments that will predictably reshape daily life in the decades ahead. An untold number of inertial realities inherent in the common human enterprise will inexorably change our collective circumstances – the options and imperatives that confront society and its institutions. Society's adaptation to these new realities will, in turn, create further changes in the institutional operating environment, among customers, competitors and constituents. There is no reason to believe that the Information Revolution will change us any less than did the Industrial Revolution. In times like these, the best advice comes from ancient truths that have withstood the test of time. Twenty-five hundred years ago, the Greek philosopher-historian Heraclitus observed that "Nothing about the future is inevitable except change." Two hundred years later, the mythic Chinese general, Sun Tzu, advised that, "The wise leader exploits the inevitable." Their combined message is clear:

"The wise leader exploits change."

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