

The World in 2050

The presentation provides a short overview about the global Megatrends which have an impact on Europe and the rest of the World. Then it gives an outlook how the world may look in 2050 and at the end concludes what this means for the required cross-cultural competencies for the next generation.

2. Slide:

The global megatrends have a massive impact on us and on future generations. Three megatrends will be outlined very briefly and afterwards a deep dive is taken for the shift of economic power and the so called SAAAME (South America, Africa, Asia and the Middle East) trading.

The first megatrend is Demographics and the production capacity gap. People in Europe and the western world are becoming older (aging population) and more people are in the retirement age. This increases the pressure on pension schemes, especially in countries, where pension schemes are based on intergenerational contracts.

The second megatrend is urbanization. Right now about 3.9 bn people are living in urban areas. But in 25 years more than 5.6 bn people will live in cities. To address this challenge it would be necessary to develop solutions for the increasing amount of people living in urban areas like smart cities.

The third megatrend is the shift of technology like the rapid adoption of mobile devices and the connectivity of almost everything.

In the next paragraph a deep dive is taken regarding the fourth megatrend the shift of economic power and the SAAAME trading

3. Slide

The picture on the right shows the World Trade Flows, for SAAAME and non-SAAAME countries in US\$ (bn). Numbers are provided in absolute terms but also as compound annual growth rates.

The numbers point out two crucial developments:

1. The trade between Emerging Markets is growing at a faster rate than trade between developed countries
2. And there is sustainable shift of the economic power towards "SAAAME-countries". This is illustrated by graph on the right where the GDP of the G7 and E7 in 2009 is compared and a forecast for 2050 is shown.

Now the question arises what this development would mean for the next generation and us. Obviously, the answer is straightforward. If Europe still want to be successful and keep or increase its standard of living we need to participate in this trend.

Therefore, according to my opinion it would not be enough to develop state of the art products, be innovative and have the latest high tech tools available. I think one of the core skills for the next generation and us will be to develop x-cultural competencies. I would like to illustrate my thoughts with the help of a model

4. Slide

Richard D. Lewis has developed a model that clusters countries/cultures into three cultural types: Linear active, multi-active and reactive variations

Most of the SAAAME countries lie within the Multi-Active or Reactive-Variations

Some people state that Europe is disadvantage because we have many different cultures and not a common language. Nevertheless, if you look at this model there may be also a great advantage because many of the European cultures are very similar to the cultures of some of the SAAAME countries. This is important because often, business is based on trust. The three cultural types have also a different understanding of trust.

Linear active cultures trust in institutions and base trust on performance (do what you say you will do), on consistency, on scientific truth and on efficient officialdom.

Multi active cultures trust in group- intimates and trust is based on compassion, closeness, refusal to capitalize on others weaknesses and showing other one's own weaknesses

Reactive cultures trust in reciprocity schoolmates, and base trust on protecting the other's face, courtesy, sacrifice and reciprocal attention

If our next generation is able to understand these intercultural differences, they will also be able to be successful business partners. If I look at this chart, Europe has the required qualifications but we need to use them.