



10 Key Trends to Watch for 2014 (Trends 6 to 10)



December 2013:

Last month, we started our coverage of the 10 Trends to Watch for 2014 by introducing the notion of a “Moore’s Law of Change.” In a world of accelerating and radical changes there will continue to be significant opportunities and challenges for leaders, organizations and individuals that approach change with an open mind, an informed point of view and a readiness to take action today to prepare for the future.

So where should leaders look today for these changes? In our forthcoming Global Trends Report 2014, *The Fieldbook*, we highlight 10 trends that business leaders need to focus on today. In this December 2013 briefing we highlight trends 6 to 10, but before we head into the examples, let’s briefly take a look back at trends 1 to 5 from the November briefing ([click here to read it](#)):

1. From social everything to being smart socially

Social technologies are everywhere, but these vast repositories of digital “stuff” bury the exceptional among the unimportant. It’s time to get socially smart. Users are moving to niche networks to bring back the community feel and intelligence to social interactions. Businesses need to get smarter about extracting and delivering value from big data including challenging business models. For social networks, mobile is the great leveler. Competition for attention with other apps will intensify the battle to own key assets from identity to news sharing, demanding radical reinvention.

2. Information security: The genie is out of the bottle

Thought your information was safe? Think again. The information security genie is out of the bottle as cyber-surveillance and data mining by public and private organizations increases – and don’t forget criminal networks and whistleblowers. It will be increasingly hard to tell friend from foe in cyberspace as networks build artificial intelligence to decipher your emotions and smart cities track your every move. Big brother is here: Protecting identity, information and societies will be a priority for all.

3. Who needs shops anyway?

Retailers are facing a digitally driven perfect storm. Connectivity, rising consumer influence, time scarcity, mobile payments, and the internet of things, are changing where, when and how we shop – if smart machines have not already done the job. Add the sharing economy, driven by younger generations where experience and sustainable consumption are more important than ownership, and traditional retail models break down. The future of shops will be increasingly defined by experiential spaces offering personalized service, integrated online and offline value propositions, and pop-up stores to satisfy demands for immediacy and surprise.

4. Redistributing the industrial revolution

Complex, global value chains are being redistributed by new technologies, labor market shifts and connectivity. Small-scale manufacturing, including 3D and soon 4D printing, and shifting production economics are moving production closer to markets and enabling mass customization – not just by companies but by the tech-enabled maker movement which is going mainstream. Rising labour costs in developing markets, high unemployment in developed markets, global access to online talent and knowledge, plus advances in robotics mean reshoring of production to developed markets will increase. Mobility, flexibility and networks will define the future industrial landscape.

5. Hubonomics: The new face of globalization

As production and consumption become more distributed, hubs will characterize the next wave of “globalization.” They will specialize to support the needs of growing regional trade, emerging city states, on-line communities of choice, and the next generation of flexible workers and entrepreneurs. Underpinning these hubs will be global knowledge networks and new business and governance models based on hubonomics™, that leverage global assets and hub strengths to deliver local value.

And now into the detail of trends 6 to 10!

6. Sci-Fi is here: Making the impossible, possible

Cross-disciplinary approaches and visionary entrepreneurs are driving scientific breakthroughs that could change not just our lives and work but our bodies and intelligence. Labs worldwide are opening up the vast possibilities of mind control and artificial intelligence, shape-shifting materials and self-organizing nanobots, cyborgs and enhanced humans, space exploration, and high-speed, intelligent transportation. Expect great debate around the ethics, financing, and distribution of public and private benefits of these advances – and the challenge of translating breakthroughs into replicable benefits.

In Action!

Smart materials offer massive possibilities: Wonder material graphene is the strongest ever discovered (so far), flexible, extraordinarily light and transparent. A single layer of carbon atoms can supercharge computer chips, optical circuits, lithium-ion batteries, and solar power generation but does it have a competitor? Arizona State University electrical engineering professor Cun-Zheng Ning discovered erbium chloride silicate, which could be used to improve the capabilities of the internet, the efficiency of silicon-based photovoltaic cells and the quality of solid-state lighting and sensor technology – in addition to the next generation of computers.

(Source: [Science Daily](#)) If these two are not enough, atom-thick carbyne chains could become the world's strongest material if it can be made in bulk according to [scientists at Rice University](#). Many more exciting materials are in development so do check out shape-changing [martensite crystals](#), [shape metal alloys](#) and water absorbing [upsalite](#), all of which offer tremendous potential to enhance products, processes – and our daily lives.

Racing with the machine: As workplaces become more automated with robots and computers taking over a growing number of tasks, questions are being asked about whether technology is to be blamed for stubbornly high unemployment rates. A recent study from [Oxford University](#) suggests that nearly half of U.S. jobs are at risk of being taken over by computers as artificial intelligence improves. However, Erik Brynjolfsson, director of the [MIT Center for Digital Business](#) argues in his [TED-talk](#) that instead of fighting the machine we must work along side it to create an even better outcome. Computers should be viewed as teammates but to do that we need to not only redefine work but also ourselves. (Source: [Singularity Hub](#))

Wearable technology: Technology is moving off the desktop and on to the body. In 2012 the market for wearable technology – everything from hearing aids to wristband pedometers – totaled almost US\$9 billion. Analyst Shane Walker at [IHS Global Insights](#) predicts that this could rise to US\$30 billion by 2018. One example of future wearable technology is a [clothing collection with built-in LED light](#), that can be controlled using a smartphone app, created by fashion designer Elizabeth Bigger. Researchers at the [University of Illinois](#) have developed a wearable (on your skin), flexible thermometer only 50 microns wide, or about half the width of the average human hair. The next frontier, according to Gary Clayton, Chief Creative Officer at voice recognition firm [Nuance](#), is wearables inside us. Expect to see that in just five to ten years! (Source: [VentureBeat](#), [PSFK](#), [livescience.com](#), [The Times of India](#))

Look Out For...

Mind (and machine) control: In Western Australia the insurance company [RAC](#) has created an “attention-powered car” controlled by brainwaves: It slows down when the driver's attention drifts off and speeds up again when attention returns. Leading car manufacturers, e.g. [Ford](#), [BMW](#), [Fiat](#), [Daimler](#), [Volvo](#) and [Volkswagen](#), are testing systems that take control of the steering wheel as well as other alert systems that activate when risks are detected (Source: [PSFK](#), [BBC](#)). Thought control is being tried on many levels: At the [Harvard Medical School](#) a team has developed a [non-invasive brain-to-brain interface](#) that allows a human to control a rat's tail. Researchers at the [University of Washington](#) have performed what they believe is the first [noninvasive human-to-human brain interface](#), with one researcher able to send a brain signal via the internet to control the hand motions of a fellow researcher. [Samsung](#) is also getting into game, teaming up with wearable computing expert Roozbeh Jafari from [University of Texas](#) to translate thoughts into computing tasks. It might be a while before you see a mind controlled Samsung device but keep watching. (Source: [International Science Times](#), [Singularity Hub](#))

Believing the impossible: Elon Musk, founder of [PayPal](#), [SpaceX](#) and [Tesla](#), is no stranger to shaking up industries. He is dreaming big again with the “Hyperloop” – a new, superfast mode of transportation through an elevated tube built between two cities. Pods would be shot back and forth inside the tube at high speed reducing travel time from Los Angeles to San Francisco to 30 minutes, a 380 mile /615 km ride. Opinion on its feasibility is mixed, but Elon Musk has vowed

to prove the naysayers wrong by building a physical prototype. (Source: Various news agencies). His are not the only big dreams: The U.S. army is asking the technology industry, government labs and academia to help them build an [Iron Man](#)-style suit that could give troops “superhuman strength” and is aiming to get it out in the field in three years time! (Source: [BBC](#)).

4D printing and self-assembling swarmbots: That 3D printing is still an immature technology hasn’t stopped [MIT's](#) architect and computer scientist Skylar Tibbits from taking it to the next level – self-assembling 4D objects. The process could be used to install objects in hard-to-reach places such as underground water pipes and to build furniture, cars and even buildings. (Source: [BBC](#)). Elsewhere at [MIT](#) are self-assembling swarmbots or M-blocks that are cube robots with no external moving parts. Armies of these mobile cubes could temporarily repair bridges or buildings during emergencies, assemble into diverse types of furniture and equipment as needed or swarm into environments hostile or inaccessible to humans, diagnose problems, and then reorganize themselves to provide solutions. (Source: [Kurzweil Accelerating Intelligence](#))

7. Growing pains: Transforming markets and generations

The BRICS are succumbing to Newton’s law of gravitation: Brazil’s lost it, India’s losing it, China’s paying the price for growth, Russia’s failing to make a superpower come-back, and South Africa’s economy is in disarray. In other developing markets currencies have tumbled, Arab Spring governments are still in turmoil and social unrest is increasing along with the number of failing states. But the BRICS & Beyond growth engine is far from dead. Rather it is experiencing growing pains which demand significant shifts in governance, financial systems, education and economic policies to catch up. The likely transformers will be younger generations who aspire to greater freedom and quality of life than their parents.

In Action!

Is India losing it? India, once Asia’s darling and predicted to overtake China as the world’s powerhouse: Today things look very different. GDP has plunged along with the Indian rupee (though it has regained strength recently as massive capital outflows from emerging markets have slowed). Recently [the World Bank](#) lowered its GDP forecast sharply from 6.1% to 4.7% for 2013 due to a sharp slowdown in manufacturing, investment and business confidence. However, growth is expected to accelerate to 6.2% in 2014-15. Even when GDP growth was high, India still performed badly on human development indicators and the country continues to struggle with fundamental problems. Its water, energy and environmental challenges are vast and the food challenge even worse. Three major problems continue to plague India: High levels of corruption, very poor infrastructure, and fractious political infighting. (Source: [The Globalist](#)). Is India ready to play a central role in the global economy?

What happens when China sneezes? Everyone more or less gets a cold, in particular in emerging markets economies. China is clearly not heading towards recession, with growth around 7-8%, but has slowed down significantly since its record growth years and the knock-on effect is kicking in. It will hit South-East Asian economies but the [Asian Development Bank Outlook](#) suggests it is unlikely to lead to a steep downturn in the region's growth. However, commodity producers and countries with large China trade, including Australia, Canada, Brazil, Malaysia and Korea could take a big hit. Thailand has already been dragged into recession, Argentina could relapse into recession by 2014, and growth is slowing in Brazil and India.

China's leaders have signaled that the slowdown in growth is tolerable as long as fundamentals are sound. At the G20 summit in September President Xi Jinping said: *"China has realized that it has to advance structural reforms in order to solve the problems hindering its long-term economic development, even though it will mean slower growth."* (Sources: [Xinhua](#), [BBC](#))

Look Out For...

Latin America – the new tech hot spot? A technology economy is booming in America's backyard. From Chile to Mexico local start-ups are finding their way into the economy, coming to the attention of a small but growing group of investors and other entrepreneurs from the U.S. and beyond. For example (Source: [All Things D](#)):

- In 2012, Latin American tech start-up accelerators, [NXTP Labs](#) (Argentina) and [21212.com](#) (Brazil) "invaded" Silicon Valley with nearly two dozen start-up companies in tow. They organized a pitch contest and audiences with U.S. investors, a major coup for companies from the region.
- For the first time, companies from Argentina, Brazil, Chile and Mexico had strong representation at TechCrunch Disrupt San Francisco, the annual conference for start-up companies and investors.
- In 2012, a U.S./Mexican venture capital fund based in Monterrey, [Alta Ventures](#), closed a US\$70 million venture fund, possibly the largest such VC fund in Mexico's history; the funds will mainly be invested in Mexican start-up companies. Another significant aspect of this deal is that the majority of the funds came from Mexican investors.

The emerging market transformers: It's not just in developed countries that younger generations want greater influence, change and a different lifestyle. Young people in emerging markets equally don't want the life of their parents and grandparents – they want more, as was seen in the Arab Spring and other social protests (also see Trend 10). The article [The New Globalist: Meet the Transformers](#) introduces some of these young people – the Transformers, who come from different backgrounds and continents, but share many characteristics. They are a part of the "I want more generation," who are optimistic, hyperconnected, educated and have disposable income to spend. They demand Western goods, products and luxuries, and they want to travel – they are definitely the people your company wants to connect with. Due to its different outlook on life and consumption patterns, this young generation of transformers could also be the generation that has the power to restore sustainable growth in emerging markets.

8. Panic versus denial: The resource gap grows, the global risks rise – but who is listening?

The complex nexus of food, water, energy and climate change presents huge global economic, environmental and societal challenges – heating up the battle to access new resources from the Arctic to fracking. Risks are growing, even as multilateral action stalls. It's a crisis of morals, governance, and above all marketing and media, pitting crisis deniers against those who recognize the threats but are communicating panic versus reasoned solutions. Expect more debate and calls for responsible capitalism – those that are listening will be taking action at multiple levels in society and business.

In Action!

Tibetan water wars? Of all the water on Earth, only 2.5% is fresh water and less than 0.007% is readily available to the world's population. However, the distribution of water and population do not correspond, so 60% of the world's people in Asia only have access to 36% of global water supply, resulting in widespread scarcity issues. Explosive population and consumption growth will exacerbate water security challenges in Asia, and India and China in particular. It threatens to reduce economic growth, exacerbate territorial disputes, and impose further hardships on Asia's poor. There is also the potential for conflict over ten of Asia's largest and longest rivers which originate in the Himalayas or Tibetan plateau, including the Yangtze, Mekong, Brahmaputra (which becomes part of the Ganges), and collectively serve about 47% of the world's population. China has been building dams to divert the flow of some of these rivers from the south to its arid north and east as well as to generate power, potentially with severe negative consequences for highly populated downstream countries, including India, Bangladesh, Cambodia, Laos, Thailand and Vietnam. Source: ([The National Bureau of Asian Research](#), [Princeton](#), [Asia Society](#), [The Globalist](#))

More food on the table: Food security is a growing issue, requiring innovative solutions to build food supply and reduce waste. One option is to commercialize lab grown food by making it affordable and appealing, e.g. using the Netherlands-based [Next Nature's In Vitro Meat Cookbook](#). Another is to develop vertical farming which horticulturist Cary Mitchell of [Purdue University](#) suggests is best done not in city skyscrapers but in large warehouses located in the suburbs, where real estate and electricity are cheaper. Already [Caliber Biotherapeutics](#) has a 150,000-square-foot "plant factory or pinkhouse" in Texas, where it grows 2.2 million tobacco-like plants to make new drugs and vaccines, stacked 50 feet high, under the glow of blue and red LEDs. This type of indoor gardening is yet not suitable for growing real food but may be in the future. (Source: [npr](#))

Look Out For...

Climate change refugees and tensions: The latest [IPCC report](#) has come out stating an unambiguous link between human activity and the rapid climatic changes that have occurred over the past century. These changes have now generated the world's first climate asylum seeker, potentially the first of many. A 37-year-old man from Kiribita, an island nation with 100,000 inhabitants in the central tropical Pacific Ocean that is highly vulnerable to rising sea levels, has sought climate change refugee status in New Zealand, though not yet been granted asylum. A wide range of research indicates that the impact of climate changes will create environmental, humanitarian and security challenges fuelling regional and global geopolitical tensions. (Source: [The Telegraph](#), [Global warming is real](#))

Could the future be less consumption? Most people recognize the feeling of buying unnecessary items but for businesses it is all about selling more products to more people, more often. But what if businesses used all the data they gather to make us buy more, to help us consume less? Future brands would help consumers understand how much they consume, and what this means for their health, wealth and happiness, e.g. your favorite brand will build you a personal shopping cart based not only on past purchases but what you have thrown away as well as offering alternatives to suit your desired body weight or health profile. Here brand

loyalty will be the key, not discounts. The question is whether we will be comfortable trusting so much information to businesses that it is possible. (Source: [Fast Company](#))

9. Fighting unemployability and unemployability

Companies are desperate for talented workers – yet unemployment rates remain high. Polarization towards higher and lower skill levels is squeezing mid-level jobs, even as employers complain that education systems are not preparing students for the jobs of the future. Fighting unemployability is driving new government-business partnerships worldwide, and will remain a critical issue given massive youth unemployment. Employers must also focus on organizational unemployability – not being able to attract and retain desired talent – as new generations demand exciting and meaningful work where they can make an impact. If they can't find it, they will quickly move on or swell the growing ranks of young entrepreneurs.

In Action!

Waiting to be filled: The world faces a systemic unemployment crisis. Even with positive economic growth in many countries it is still insufficient to make a serious dent in high unemployment rates. Worldwide long-term unemployment is an increasing problem with the median share of long-term unemployed as a share of total unemployed rising to 30.2% in Q4 2012, up from 24.6% at the end of 2007. (Source: [ILO](#)). Still companies are desperate for talented workers – the exploding gap between needed and current skills is making it harder to fill vacancies. For example the U.S. has an unemployment rate of 7.2%, yet in late July [Money Morning](#) reported that three million jobs are unfilled, including over 200,000 manufacturing jobs for which employers can't find a match. One example is [Caterpillar](#) which attempted to hire 26 employees, but nobody applied! It is time to rethink how to prepare talent for the future.

Help yourself nurture the right talent: Ensuring the current and future workforce possesses the skills needed to help countries and businesses grow and innovate is an imperative. Governments, NGOs, businesses and other private institutions need to rethink their role in developing the skills of the future – increasingly they are doing so as the examples below show.

- Chinese computer maker [Lenovo](#) is partnering with leading Chinese universities to identify top talent that may have gone abroad to study, but might be interested in returning to work in their home land. The company is building this talent pipeline three to four years ahead. (Source: [ChinaDaily Asia](#))
- Since 2008, financial services provider [Barclays](#) has been working with [UNICEF](#) to help reduce youth unemployment by equipping disadvantaged young people across the world with the skills they need to set up their own business or to find employment through the [Building Young Futures programme](#).
- The Indian government has launched the [National Skill Development Corporation](#) to fund training centers and liaise with industry. As of April 2013, its partners had trained 620,000 people. More than 78% of graduates found jobs. By 2022 it has the target of training 150 million people. (Source: [NSDC](#))

Unlikely partnerships – donating expertise: Instead of a check the largest anti-hunger charity in the United States, [The Food Bank for New York City](#) received “kaizen,” a Japanese word meaning “continuous improvement” from [Toyota](#). Food Bank employees were quite skeptical

about this offer: They serve food and Toyota builds cars, so how can they possibly benefit from the help? The benefit turned out to be “efficiency” which Toyota’s engineers know a whole lot about. They were able to identify gaps in The Food Bank’s operations and reduced the average dinner wait time from 18 minutes to 6 minutes, while the time to pack supply boxes went down to 3 seconds from 6 minutes. International shipping company [UPS](#) is lending its transportation and logistics experience to the [American Red Cross](#) during natural disasters and emergencies through its [Logistics Action Teams \(LAT\)](#). (Source: [Article3](#)). How can your company donate expertise not just to help people in need but to give employees meaningful experiences?

Look Out For...

Skills of the future: It’s no secret that the skills that make workers and leaders successful today will not stay the same forever. Looking forward some specialist skills are at risk of becoming outdated in the near future, while others are gaining in importance. What will it take for you to stay on top of the game? What kinds of skills are required for those entering the workforce and those hoping to lead the organizations of the future?

- **Social intelligence:** Companies are becoming less hierarchical, more networked and increasingly virtual making the ability to collaborate, build relationships, and trust even more important skills in future.
- **Agile thinking:** Creative thinking, the ability to innovate, deal with complexity, ambiguity, and paradoxes and prepare for more than one scenario is critical for future success.
- **Human-machine collaboration and co-dependence:** It is no longer a question of whether we want to be part of workplace automation and human-machine interactions but how the human worker can work best alongside the machine.
- **Cross-cultural skills:** Cross-cultural understanding and communication will play a critical role in successfully carrying out business in a globalized world.
- **The innovative, entrepreneurial mindset:** The ability to innovate is a skill in growing demand and often linked to entrepreneurship.
- **Leadership skills:** Three skills are of increasing importance are being able to manage ambiguity, the ability to manage contradictions, and engagement.

The talent mismatch: The world’s companies and organizations are suffering from lack of available, skilled talent. Globally, 34% had difficulty filling jobs in 2012 showing no change from 2011 but still down from the pre-crisis year 2007 (41%) (Source: [The Talent Shortages Survey 2012](#)). Looking forward the [Global Talent 2021](#) report suggests that many countries, particularly developed ones, will suffer from a talent deficit in 2021. The mismatch between supply and demand for talent in 2021:

- **Strongest trend talent deficit:** Taiwan, Japan, Poland, Italy, Chile, Greece, South Korea, Canada, the U.S, U.K., Turkey, France, Germany, Singapore, Thailand, Norway, Australia, Sweden, Netherlands, Austria, Switzerland, and Spain.
- **Demand and supply for talent in balance:** Barbados, Malaysia, Kuwait, Oman, Bermuda, China, Argentina, Mexico, and Russia.
- **The strongest trend talent plus:** India, Indonesia, Columbia, South Africa, Brazil, Morocco, Czech Rep., Egypt, Qatar, Peru, Costa Rica, Bahrain, UAE, Philippines, and Saudi Arabia.

10. Surviving in a bipolar world: From expecting consistency to embracing ambiguity

Life is not fair, nor is it predictable. Income inequality is growing. Intolerance and nationalism are rising but interdependence is the currency of a connected world. Pressure on leaders to deliver results today is intense but so too is the need for fundamental change to succeed in the long term. The contradictions of leadership and life are increasing faster than our ability to reconcile the often polarized perspectives and values each embodies. Increasingly, they are driving irrational acts of leadership (think the US debt ceiling), geopolitical, social and religious tensions, and individual acts of violence. Surviving in this world will demand stronger, responsible leadership comfortable with and capable of embracing ambiguity and uncertainty, as opposed to expecting consistency and predictability.

In Action!

The U.S. leadership crisis: The U.S. is still a leading superpower with a dynamic economy, the most important global reserve currency, and dominance in key international institutions. However, there is speculation as to whether its economy will weather the political storms. In the last three years the political system has been pushed to its limits, basically committing economic suicide. Amid much political theater, last minute deals have made to raise the debt ceiling, although simply putting off for a few months solving the underlying deficit problem. October 2013's brinkmanship over the Federal budget closed the U.S. government for nearly three weeks, damaging economic growth, not to mention the hundreds of thousands of employees sent home without pay. The contradictory nature of these partisan – and dysfunctional – actions from people who are supposed to drive economic and social development, can be captured in Warren Buffett's words, *"The idea that we should take 237 years where we built up a reputation for behaving properly in financial matters and blow it because of 535 people in Washington, you know — it's insanity...The debt ceiling should not be used as a weapon."* (Source: [NYDailyNews](#))

The Eurozone morality crisis: The EU is a melting pot of cultures that makes it difficult to solve the economic, political and security tensions that for many years have put the Eurozone/EU/Euro under pressure. Ireland's President Michael D. Higgins and some commentators blamed it on differences in morality or to be exact a chasm in morality between North, e.g. Germany, and South, e.g. Greece. While Germany is characterized as a moral exemplar embracing frugality and debt avoidance to boost growth, Greece is characterized as accepting corruption and cronyism as rewarding. It is time for Europe to learn to bridge its moral chasm. (Source: [The New York Times](#), [Financial Sense](#))

The age of instability: While trust in national governments remains close to 2011 highs, it is still low globally, and significantly lower than trust in NGOs, media and businesses (Source: [Edelman Trust Barometer 2013](#)). Add to this the fact that more than half the world's people live in countries that are not free in terms of political rights and civil liberties. In the last three years increasing waves of social and political unrest have swept across the world, from the Arab Spring to the London Riots, the Occupy movement globally, and ongoing civil conflict in Syria. Even where regimes have changed, such as Egypt and Tunisia, new waves of unrest are demanding a different way forward. The world is now seeing increasing mass mobilization with a dramatic shift from people raising voices to taking action, challenging the foundations of

political, economic, and social systems in Brazil, Turkey, Chile, India, South Africa and many more countries. Politicians around the world will do well to take note – and to look at more inclusive approaches to future governance. There is real potential for conflict if these issues are not managed appropriately. Without addressing the root causes of unrest, demonstrations may escalate into broader internal or external conflicts.

Look Out For...

Combining profit with responsibility: There is a growing expectation and need for corporations of all shapes and sizes to step up to a bigger role in society. The challenge for organizations and their leaders is to focus on creating value for companies and societies simultaneously. More and more businesses are embracing the approaches of shared value and responsible capitalism, strengthening their businesses by creatively addressing key issues. It's not easy, but does make sense in a world that is becoming more complex and interdependent and where corporations are at risk of losing their legitimacy in society. Yet in many organizations shared value is the subject of much talk and little action, with a danger of it becoming the latest fad in corporate jargon. Fortunately many companies such as [Unilever](#), [Tata](#), [Royal DSM](#), [Marks & Spencer](#) and [Toronto-Dominion Bank](#) are leading the way demonstrating that these approaches make good business sense. (Source: [Corporate clout 2013: Time for responsible capitalism, 3Rs, The Globe and Mail](#))

Rethinking global institutions for 21 century: Today short-term thinking dominates businesses as well as governments worldwide. In a new report "[Now for the Long Term](#)," a group of highly respected global leaders is rethinking how to make progress on the world's challenges such as climate change, reducing economic inequality, improving corporate practices and addressing the chronic burden of disease – stepping beyond the short-term crisis management to address longer-term problems and solution. However this step requires policy makers and others to dedicate more attention to the transformational changes shaping our future. Recommendations in the report include: Create a new coalition made up of G20 countries, 30 companies, and 40 cities to counteract climate change; establish a voluntary taxation and regulatory exchange to address tax abuse and avoidance; and remove perverse subsidies on hydrocarbons and agriculture, and redirect support to the poor. (Source: [Oxford Martin School](#), [The Guardian](#))

Aligning income and contribution: Tax optimizing (that's still legal) companies such as Apple, Starbucks, Amazon and Google as well as extreme banker and CEO bonuses are coming under increasing fire. Ordinary people are fed up with top earners cashing in, often on their work, while they are struggling to make a living and pay their taxes. In a [CNBC interview](#) Warren Buffet, one of the world's top earners, stated that despite a higher tax bill in 2012, he is likely still paying a lower tax rate than his secretary and office employees. While the world will never be fair, it could be time to align income and contribution better. Serving as good examples are a few CEOs who have decided to give their bonuses to their employees: Yang Yuanqing, the CEO of [Lenovo](#), gave his US\$3 million dollar bonus to 10,000 employees, CEO Lord Wolfson of [Next](#), recently gave his US\$3.7 million bonus to his employees; and CEO Oleg Deripaska of [RUSAL](#) gave back his US\$3 million bonus for 2012 to 120 employees. (Source: [economag](#))

Are you and your business ready to take advantage of these 10 trends?

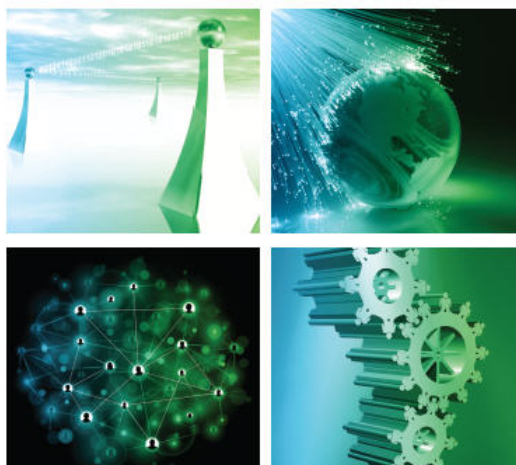
Want to know more? All 10 trends to watch will be covered in more depth, along with practical tools to move from trends to action, game-changing trends, and multiple case studies in *The Global Trends Report 2014: The Fieldbook*, due in January 2014.

This will be a companion volume to *The Global Trends Report 2013*, available at www.globaltrends.com or through Amazon.



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