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CORPORATE RESEARCH FORUM

Bringing Down The Walls: Lessons in Social Mobility

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The Next Part of Our Life is About to Start



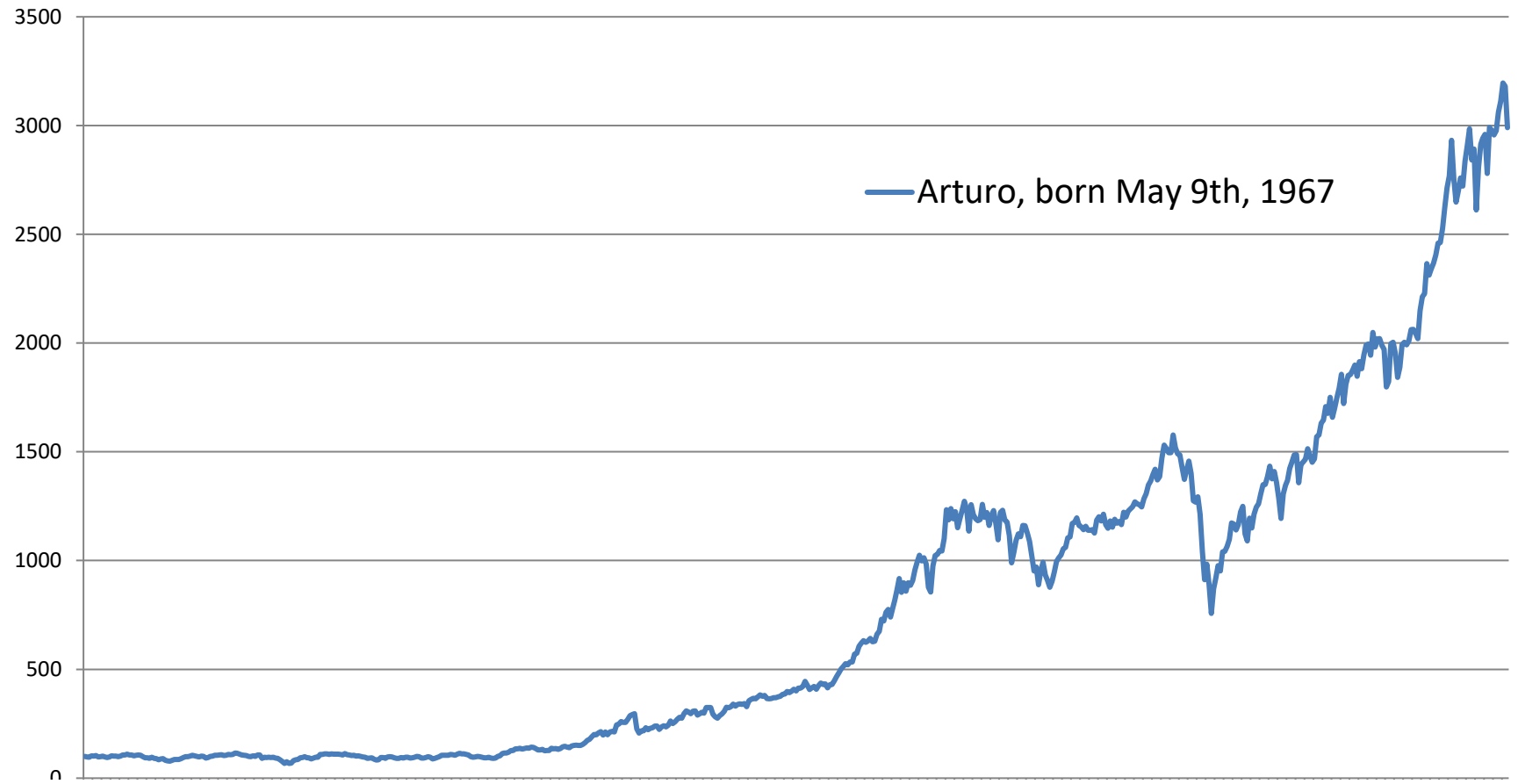
- For most of us, the current crisis will mark our lives.
- Many things will change
- But we possibly need to minimize what is going on (despite the human loss of course)
- Some things will change, most things will get back to normal



The Next Part of Our Life is About to Start



Dow Jones
Index returns



May 1967

Childhood University Grad School Yale IMD

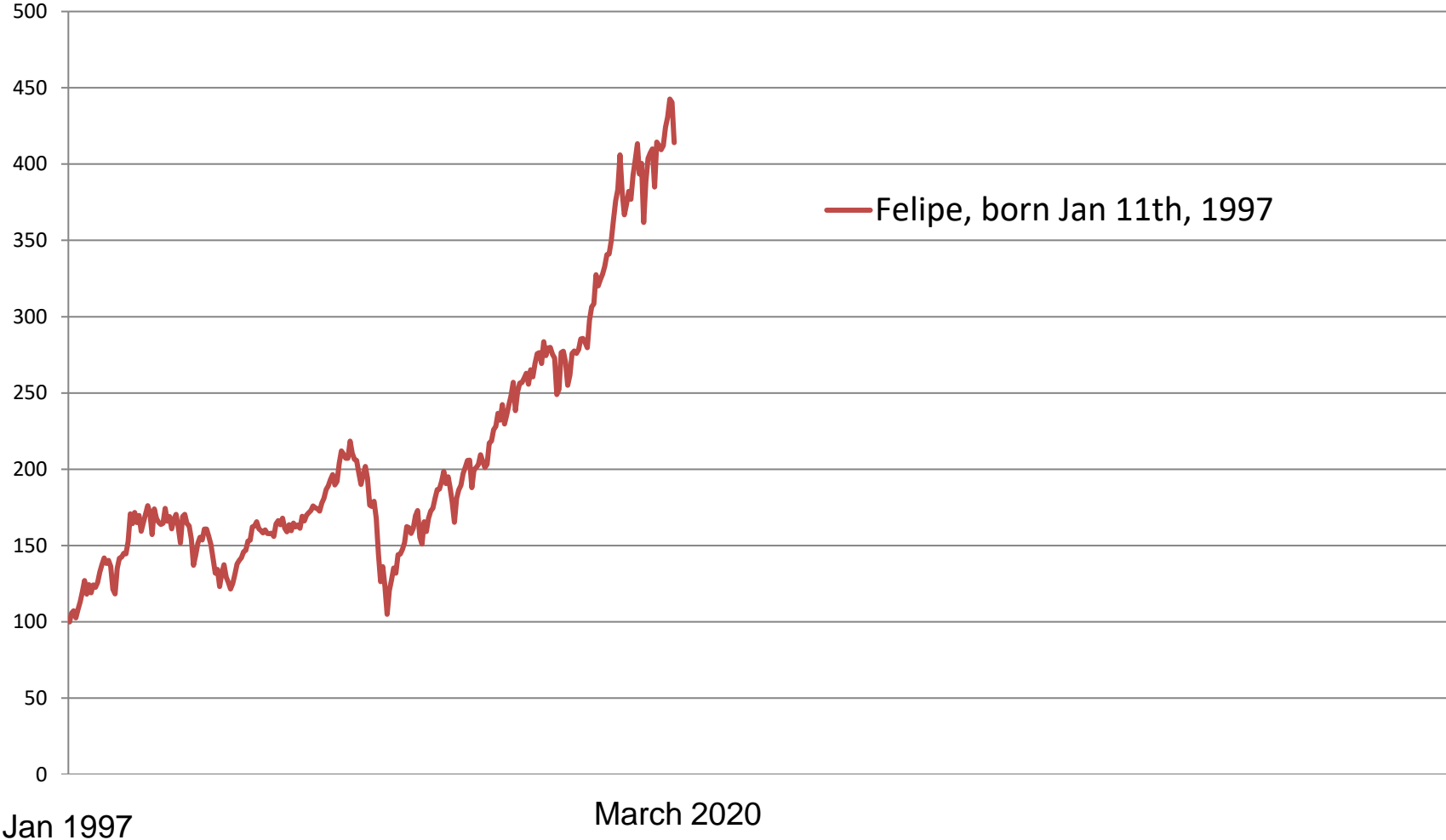
March 2020



The Next Part of Our Life is About to Start



Dow Jones
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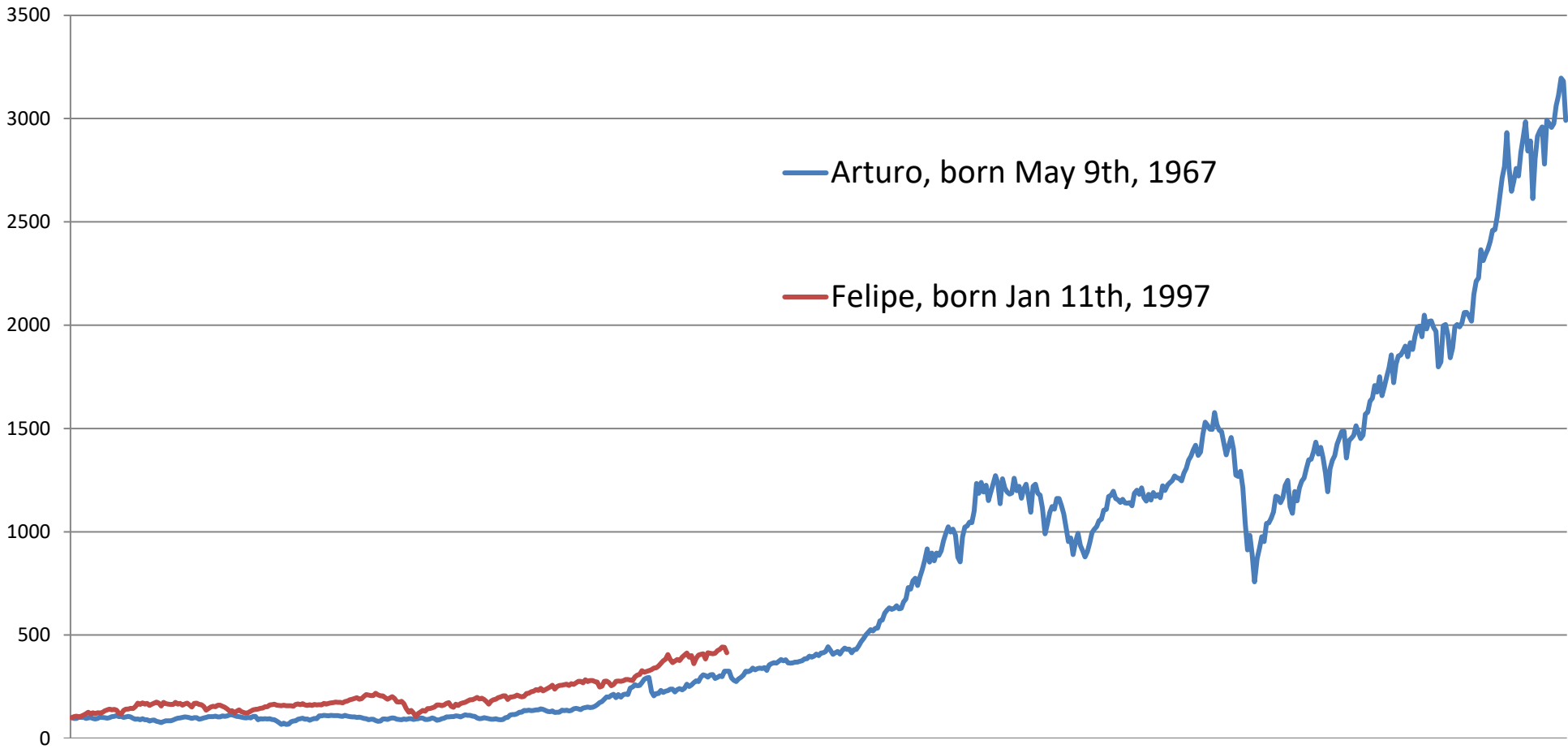




The Next Part of Our Life is About to Start



Dow Jones
Index returns





Questions / Comments



Walls



- In the next years, the world is going to witness the biggest wealth transfer in human history, from baby boomers to millennials/Gen Z.
- Our generation is also the first learning generation that we have seen in the modern era: we learned from our parents, we are now learning from our children—and our children do not have much to learn from us



Walls

- Several walls have been built among us in the last years:
 - A wall between generations
 - A wall between genders
 - A wall between us and our planet
 - A wall between economic powers
 - A wall between the healthy and the unhealthy
 - A wall between rich and poor nations
 - A wall between rich and poor people
 - A wall between people and their leaders



Walls

- Several walls have been built among us in the last years:
 - A wall between generations → the future of jobs
 - A wall between genders → closing the gender gap
 - A wall between us and our planet → the environmental challenge
 - A wall between economic powers → and trade wars
 - A wall between the healthy and the unhealthy → a new type of inequality?
 - A wall between rich and poor nations → the technology race
 - A wall between rich and poor people → immigration
 - A wall between people and their leaders → populism and the crisis of democracy



Back to the Future



- Global citizens in a global world
- Technology empowers people at the expense of leaders
- A borderless world

Imagine

John Lennon

Imagine there's no countries
It isn't hard to do
Nothing to kill or die for
And no religion, too
Imagine all the people
Living life in peace
You, you may say I'm a dreamer
But I'm not the only one
I hope someday you will join us
And the world will be as one
Imagine no possessions
I wonder if you can
No need for greed or hunger
A brotherhood of man



The generation gap: Us vs. Them

Baby boomers:

- Lifetime jobs
- Bullshit jobs
- Income as main goal, self-fulfillment secondary
- Individualism
- Learned to use technology
- We know little

Gen Z:

- Tasks, not jobs
 - Shit jobs
- Self-fulfillment is paramount
 - Collectivism
- Are sons and daughters of technology
 - They know a lot!!!!



The generation gap: Us vs. Them



- In the coming years:
 - Global mobility driven by quality of life, not income
 - Several sources of income, a few of them not from work
 - Basic Income
 - The three-day internship

Another Brick in the Wall (Part 2)

Pink Floyd

We don't need no education
We don't need no thought control
No dark sarcasm in the classroom
Teacher leave them kids alone
Hey! Teacher! Leave them kids alone!



Questions / Comments



The Rich and the Poor



Both within, and across countries

99 Revolutions

Green Day

There's a trouble in the air
A rumble in the streets
A going out of business sale and a race to
bankruptcy
It's not one to 99, it's 99 to one
A common cause and a call to arms for the health
of our daughters
And our sons
It's 99 revolutions tonight
99 revolutions tonight
99 revolutions tonight
99 revolutions tonight

The Rich and the Poor



ALIEN

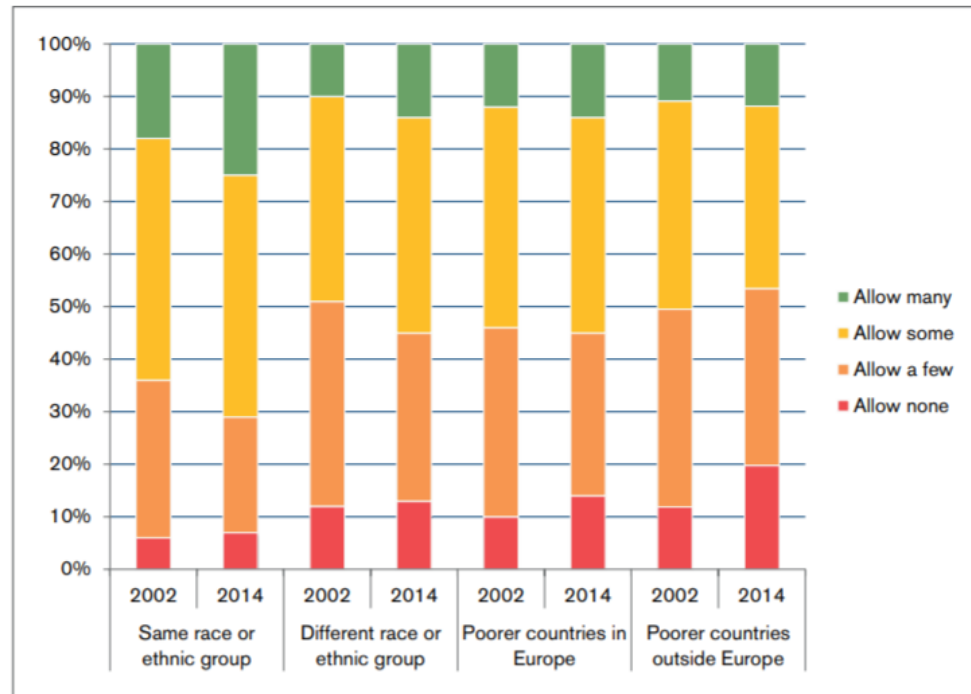
Coldplay

Tell your leader
Sir or ma'am
We come in peace
We mean no harm
Somewhere out there
In the unknown
All the E.T.'s are phoning home
Watching my life
On the skyline
Crossing your eyes
All a lifetime



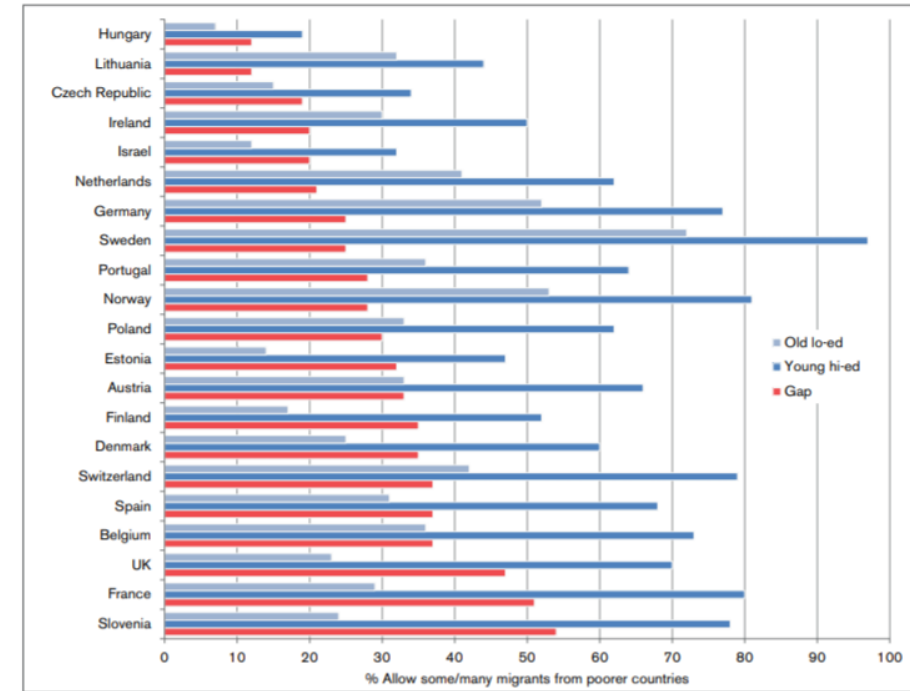
The Rich and the Poor: Immigration

Figure 3: Attitudes towards different sorts of migrant in 2002 and 2014



Source: European Social Survey Round 1, 2002 and Round 7, 2014 (all countries participating in both rounds)
Analysis was conducted on the full sample of ESS respondents. Both design and population weights have been applied. Results exclude DK and refusal responses.

Figure 6: Percentage point gaps between the young highly educated and the older less educated in support for allowing migrants from poorer countries outside Europe



Source: European Social Survey Round 7, 2014
Analysis was conducted on the full sample of ESS respondents. Design weights have been applied for country-level analysis. Results exclude DK and refusal responses.

Source: European Social Survey 2016



The Gender Gap



Macarena

Los Del Río

Dale a tu cuerpo alegría Macarena
Que tu cuerpo es pa' darle alegría y cosa buena
Dale a tu cuerpo alegría, Macarena
Hey Macarena

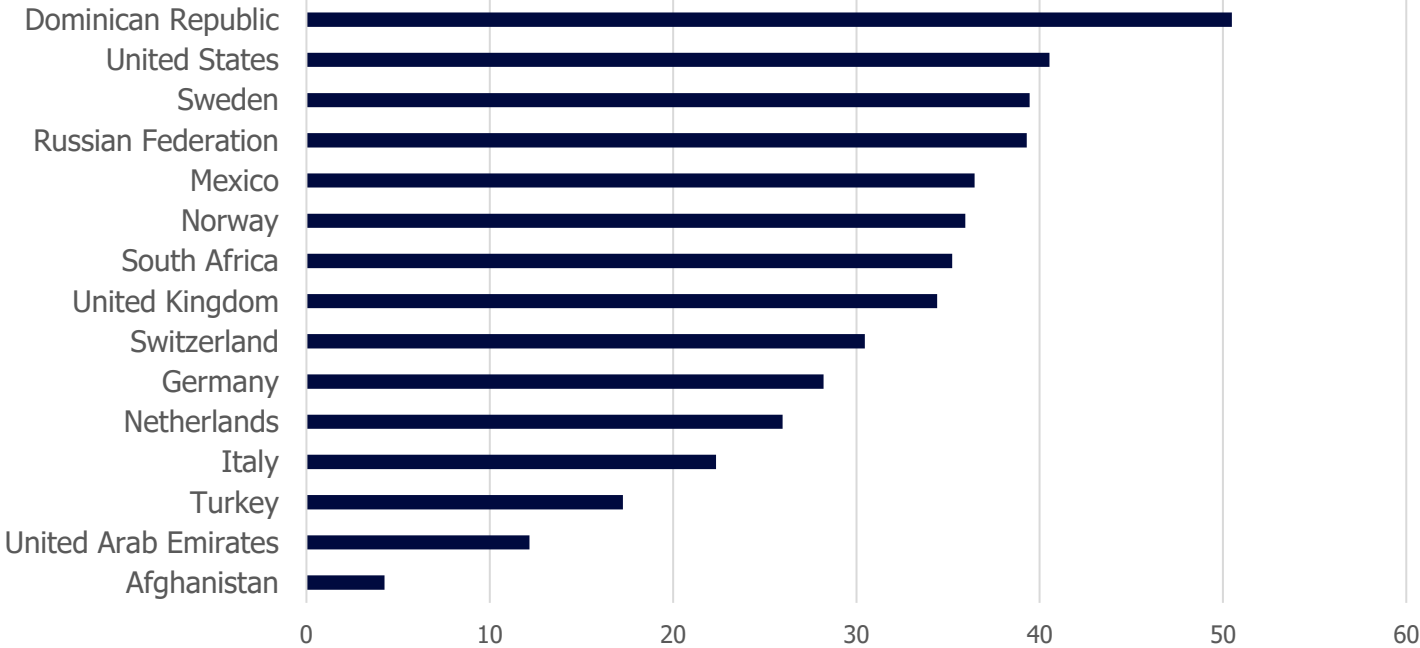
Macarena tiene un novio que se llama
Que se llama de apellido Vitorino,
Que en la jura de bandera el muchacho
Se metio con dos amigos
Macarena tiene un novio que se llama
Que se llama de apellido Vitorino,
Y en la jura de bandera el muchacho
Se metió con dos amigos



The Gender Gap



Female share of employment in senior and middle management (%)



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Source: World Bank

The Environmental Wall



Eyes Wide Open

Gotye

With our eyes wide open, we
With our eyes wide open, we
So this is the end of the story,
Everything we had, everything we did,
Is buried in dust,
And this dust is all that's left of us.
But only a few ever worried.
Well the signs were clear, they had no idea.
You just get used to living in fear,
Or give up when you can't even picture your future.



The Environmental Dilemma



Say you are the CEO of a large bank.
Would you provide credit to the government of an emerging country that wants to build a coal plant to satisfy the energy needs of its population?



The Environmental Dilemma

Say you are the CEO of a large bank.
Would you provide credit to the government of an emerging country that wants to build a coal plant to satisfy the energy needs of its population?

- (a) You provide credit
- (b) You do not provide credit because of the environmental damage
- (c) Neither one



Questions / Comments

Trade Wars



It's America

Rodney Atkins

Now we might not always get it all right
There's no place else I'd rather build my life

'Cause it's a kid with a chance, it's a rock 'n roll band
It's a farmer cuttin' hay
It's a big flag flyin' in a summer wind

Over a fallen hero's grave
It's a high school prom, it's a Springsteen song
It's a welcome home parade, yeah
It's a man on the moon and fireflies in June and kids sellin' lemonade
It's cities and farms, it's open arms, one nation under God
It's America! It's America! Oh, oh yeah, woo!



Trade Wars



All global powers have become global powers
through protectionism

Among the important economies in the world today,
China is the most protectionist

A new role for China after the Covid-19 crisis

It's America

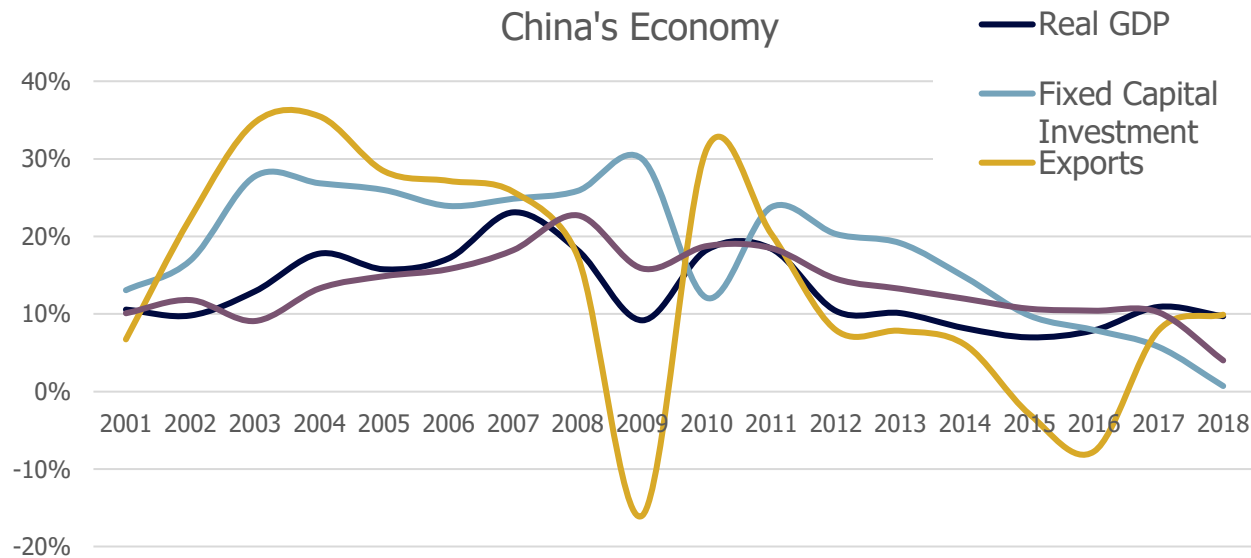
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For China, the Trade War Came at the Worst Time, but Covid-19 came at the Best of Times



Source: National Bureau of Statistics of China

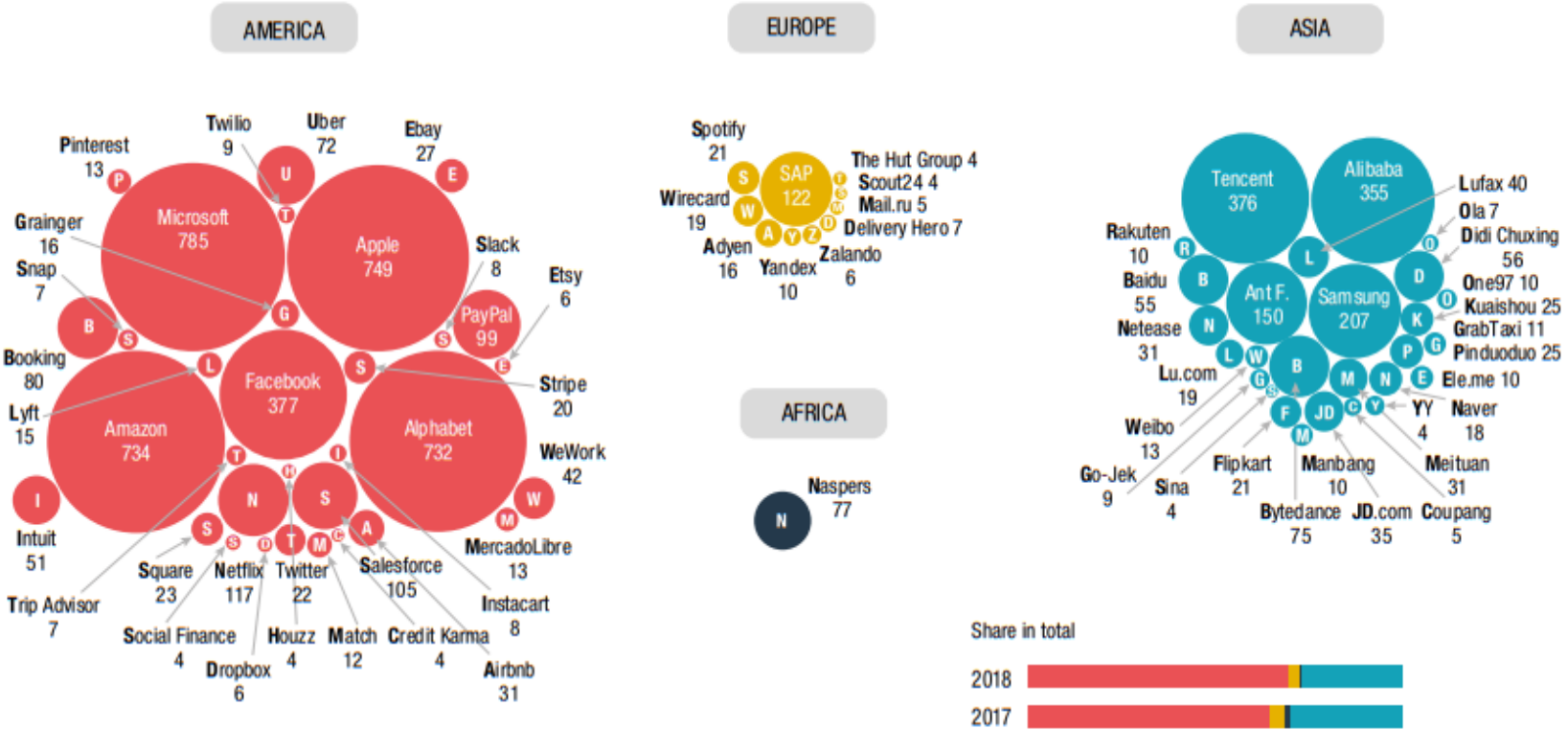


Covid-19 will push deglobalization and inequality

- China will take a new role—remember that US economic and military dominance was established with the Marshall plan.
- Deglobalization will resemble the post-War period, with a focus on inward-looking policies
- Income inequality (the difference between the rich and the poor) will also determine a new type of health inequality (the difference between the healthy and the potentially unhealthy)

With Deglobalization, capital will fly to stronger countries

Figure I.17. Geographical distribution of the main global platforms in the world, 2018
(Market capitalization in billions of dollars)



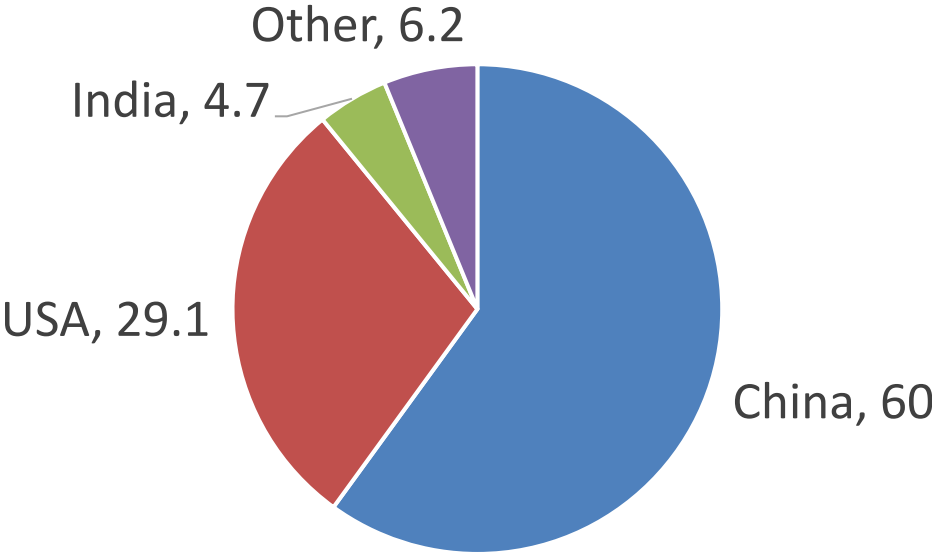
Source: UNCTAD



The Next War is a War for Technology Dominance



% Share of global AI investment and financing by country from 2013 to 2018



Source: Gartner



Questions / Comments



Covid-19 also marks the Crisis of Democracies

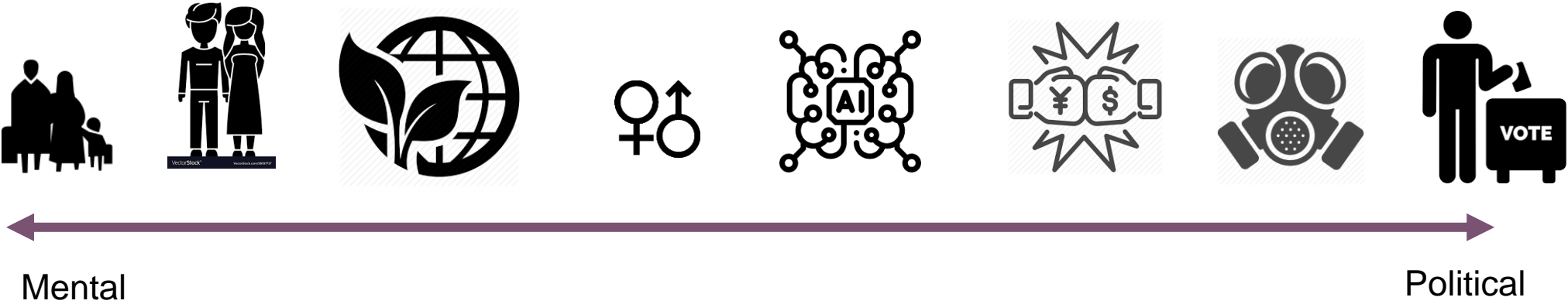


Vs.



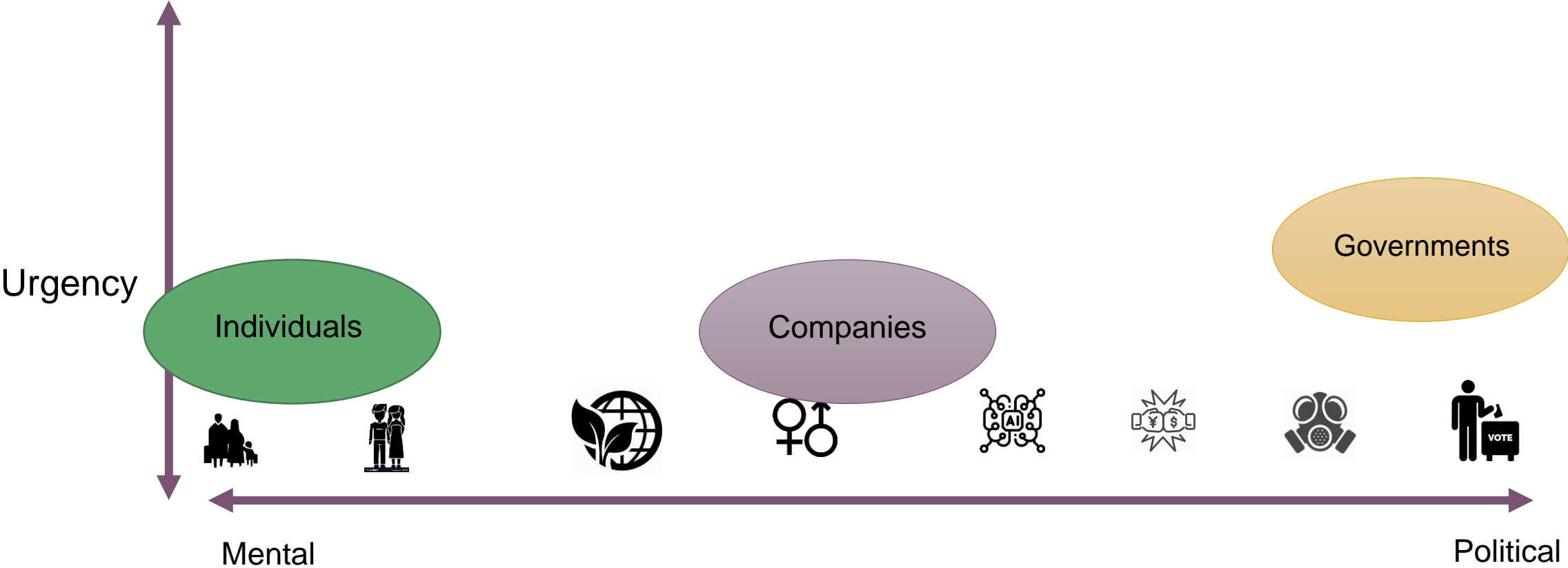


Some Walls are Mental, Some Walls require policies



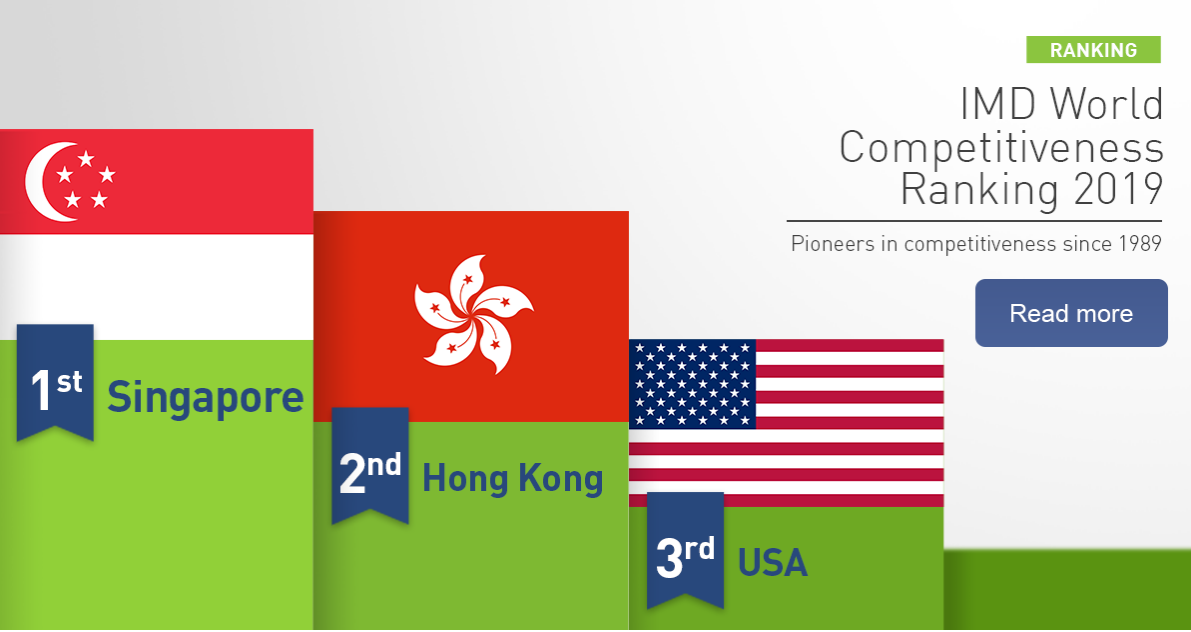


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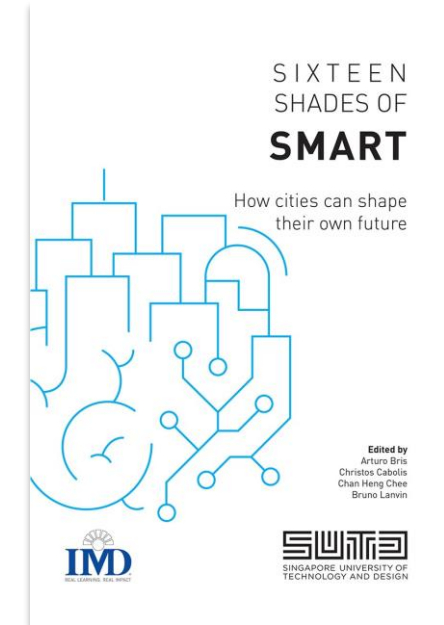
We need Inclusive Prosperity to break the Walls



Technology at the service of people



Ramallah, Palestine





Educate Ourselves, Educate Others



- On new technologies
- On new cultures
- To adapt better to the future labor market, “Flex or Fail”
- Leaders need to read “The Economist” much more, and “Harvard Business Review” much less.



Conclusion



Two scenarios:

- The end of globalization, segmented world, protected cultures and legal systems.

Or

- We help build the future world our kids want, at least similar to the one we had.

We Are the World

U.S.A. for Africa

There comes a time
When we heed a certain call
When the world must come together as one
There are people dying
Oh, and it's time to lend a hand to life
The greatest gift of all
We can't go on
Pretending day-by-day
That someone, somewhere soon make a change
We're all a part of God's great big family
And the truth, you know, love is all we need



Questions / Comments