

The forces shaping the future

The future of work asks us to consider the biggest questions of our age. What influence will the continuing march of technology, automation and artificial intelligence (AI) have on where we work and how we work? Will we need to work at all? What is our place in an automated world?

Many commentators focus on technology and the role that automation is predicted to have on jobs and the workplace. We believe the real story is far more complicated. This is less about technological innovation and more about the manner in which humans decide to use that technology.

The shape that the workforce of the future takes will be the result of complex, changing and competing forces. Some of these forces are certain, but the speed at which they unfold can be hard to predict. Regulations and laws, the governments that impose them, broad trends in consumer, citizen and worker sentiment will all influence the transition toward an automated workplace. The outcome of this battle will determine the future of work in 2030.

When so many complex forces are at play, linear predictions are too simplistic. Businesses, governments and individuals need to be prepared for a number of possible, even seemingly unlikely, outcomes.

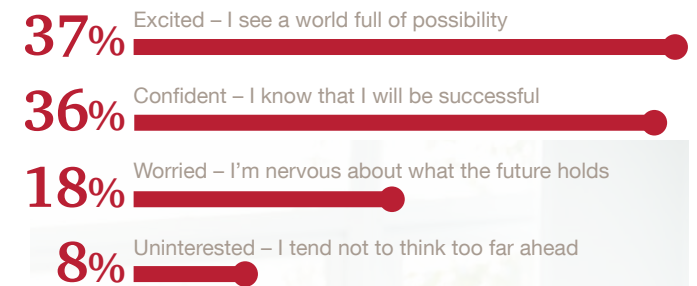


Megatrends

The megatrends are the tremendous forces reshaping society and with it, the world of work: the economic shifts that are redistributing power, wealth, competition and opportunity around the globe; the disruptive innovations, radical thinking, new business models and resource scarcity that are impacting every sector. Businesses need a clear and meaningful purpose and mandate to attract and retain employees, customers and partners in the decade ahead.

The megatrends identified by PwC form the foundation for all our scenarios. How humans respond to the challenges and opportunities which the megatrends bring will determine the worlds in which the future of work plays out.

Figure 1: When you think about the future world of work as it is likely to affect you, how do you feel?



PwC survey of 10,029 members of the general population based in China, Germany, India, the UK and the US – base all those who are not retired 8,459



Technological breakthroughs **Rapid advances in technological innovation**

Automation, robotics and AI are advancing quickly, dramatically changing the nature and number of jobs available. Technology has the power to improve our lives, raising productivity, living standards and average life span, and free people to focus on personal fulfilment. But it also brings the threat of social unrest and political upheaval if economic advantages are not shared equitably.



Demographic shifts **The changing size, distribution and age profile of the world's population**

With a few regional exceptions the world's population is ageing, putting pressure on business, social institutions and economies. Our longer life span will affect business models, talent ambitions and pension costs. Older workers will need to learn new skills and work for longer. 'Re-tooling' will become the norm. The shortage of a human workforce in a number of rapidly-ageing economies will drive the need for automation and productivity enhancements.



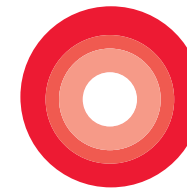
Rapid urbanisation **Significant increase in the world's population moving to live in cities**

By 2030, the UN projects that 4.9 billion people will be urban dwellers and, by 2050, the world's urban population will have increased by some 72%¹. Already, many of the largest cities have GDPs larger than mid-size countries. In this new world, cities will become important agents for job creation.



Shifts in global economic power **Power shifting between developed and developing countries**

The rapidly developing nations, particularly those with a large working-age population, that embrace a business ethos, attract investment and improve their education system will gain the most. Emerging nations face the biggest challenge as technology increases the gulf with the developed world; unemployment and migration will continue to be rampant without significant, sustained investment. The erosion of the middle class, wealth disparity and job losses due to large-scale automation will increase the risk of social unrest in developed countries.



Resource scarcity and climate change **Depleted fossil fuels, extreme weather, rising sea levels and water shortages**

Demand for energy and water is forecast to increase by as much as 50% and 40% respectively by 2030². New types of jobs in alternative energy, new engineering processes, product design and waste management and re-use will need to be created to deal with these needs. Traditional energy industries, and the millions of people employed by them, will see a rapid restructuring.

Find out more about PwC's Global Megatrends <http://www.pwc.co.uk/megatrends>

1 UN Department of Economic and Social Affairs. http://www.un.org/en/development/desa/population/publications/pdf/urbanization/WUP2011_Report.pdf

2 National Intelligence Council. https://www.dni.gov/files/documents/GlobalTrends_2030.pdf