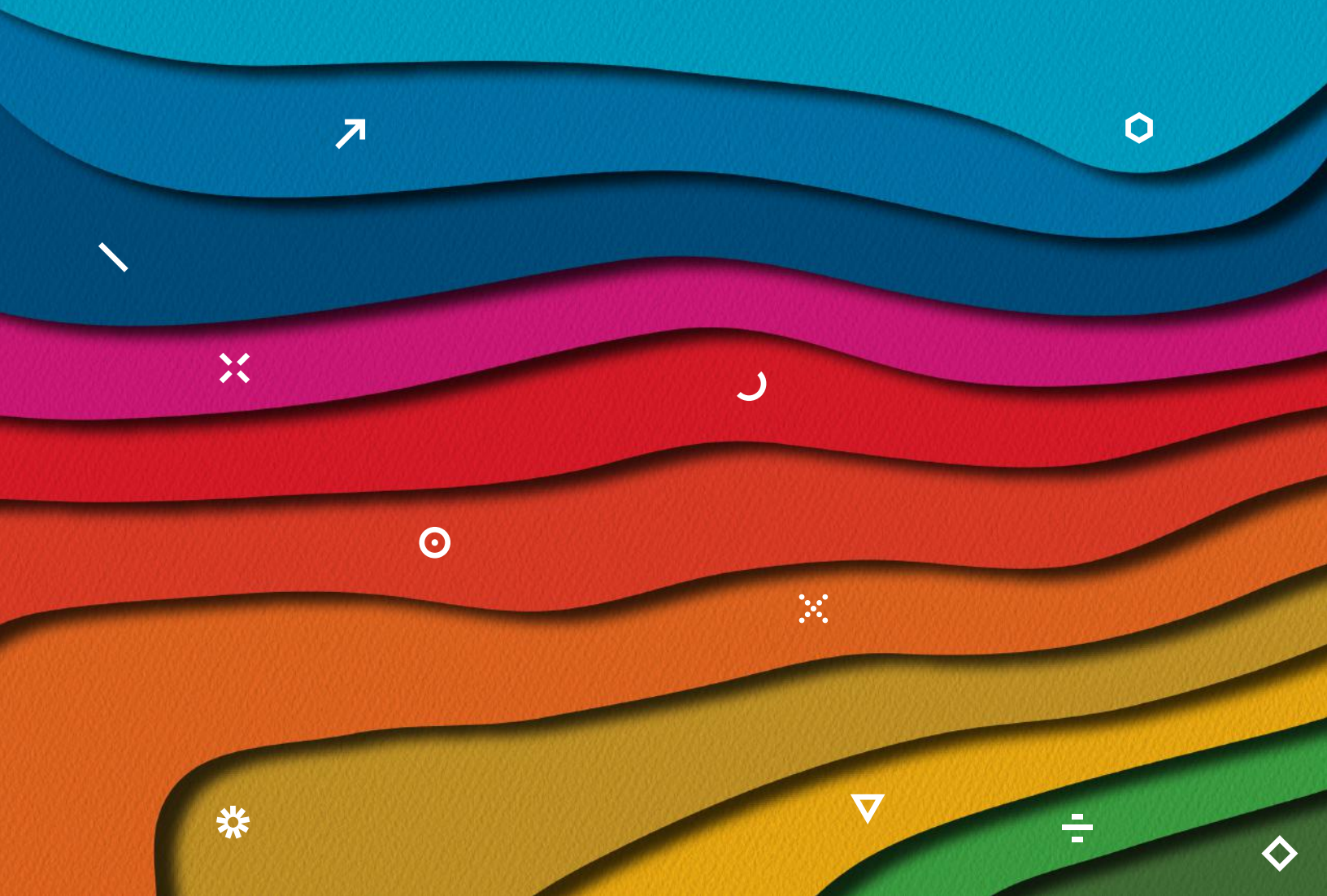




PHASE 1:

# Landscape Paper



## FROM THE ADMINISTRATOR

How do we plan for an uncertain future? As we start to define the Strategic Plan that will guide us through the next four years, this paper aims to get the conversation going. Not by trying to predict the future, but by sketching some of the parameters that are likely to define it: the geopolitical landscape, societal trends, ever-expanding technology, a warming planet and much more.

This paper already benefits from the myriad ideas, suggestions and hopes which colleagues have contributed – for which I am extremely grateful. It is not supposed to be comprehensive or consensual. On the contrary, it should be a thought-provoking launch pad for the next phase, challenging our presumptions and encouraging us all to imagine UNDP afresh. As we start 2021 and Phase 2 of the Strategic Plan 2022-2025 development, I invite you to carefully study this paper and gather your thoughts on the following questions: What should the UNDP of 2025 look like? If COVID-19 has made the SDGs even more challenging, how do we scale up our ambition to reach them nonetheless? How can we find and help those left even further behind? What practical changes must we make: different skills, faster processes, more empowered people? Above all, how do we make UNDP a more agile and dynamic organization, capable of adapting and responding to an unpredictable future?

**Achim Steiner**



## PURPOSE AND METHODOLOGY

1. This paper is the conclusion of Phase 1 of UNDP's preparation of its Strategic Plan 2022-25. It envisions the landscape in which UNDP is likely to operate in the next four to five years, as a shared starting point to conceptualizing and drafting the Plan itself (Phases 2 and 3).
2. Built on the collective wisdom of our staff, counterparts and collaborators, the paper draws on nearly 600 comments in consultations on SparkBlue; the Administrator's Future of Development conversations with diverse experts; discussions with sister agencies, think-tanks, private sector partners and more; interviews with UNDP senior management; and a workshop with Executive Board members. It reflects extensive reading and research in the voluminous canon loosely labelled "foresight". From all this material the team extracted over 1000 "signals" from which we discerned the 11 trends that form the body of the report.

## PATTERNS OF CHANGE

3. In contemplating the future landscape, we looked at three dimensions of change: drivers, trends and signals. Drivers are long-term shifts, macro forces that affect the entire world. Signals are short-term, context-specific indicators of change. In the middle are trends: ongoing and emerging patterns of change, evidenced by a supply of signals, that define a direction of change (increase, decrease, evolution or transition) over time.<sup>1</sup> Drivers, trends and signals interact through feedback loops; drivers affect trends and signals, while individual decisions can bubble up and affect the globe. Change is complex and non-linear.
4. Important drivers in the development landscape include urbanization, demographic shifts, conflict and climate change, amongst others. For example, in 1950 about two-thirds of the global population lived in rural settlements and one-third in urban settlements. By 2050, the distribution will be roughly the reverse.<sup>2</sup> This is a significant, but relatively slow and long-term, change in a clear direction. As for climate change, the global annual temperature has increased at an average rate of 0.13°F per decade since 1880 and over twice that rate (+0.32°F) since 1981.<sup>3</sup> Within these larger patterns of change we can observe trends; for example, recent signals suggest that people's perceptions of climate change are now shifting towards seeing it as a climate emergency.

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<sup>1</sup> Ipsos 2020

<sup>2</sup> Morphocode

<sup>3</sup> NOAA

# PATTERNS OF CHANGE



Solve a puzzle, don't answer a question



Prevention: An investment worth making



Social contracts under pressure



Digital everything



Multilateral fragmentation



How much inequality is too much?



Looming debt crisis



Bouncing back from the brink

- Urbanization
- Demographic shifts
- Conflict
- Climate change
- Shrinking biodiversity



All things being equal



You don't speak for me














From climate change to climate emergency

## LESSONS LEARNED

5. Recent lessons informed our thinking as we sifted through the signals to identify trends. The complexity of the development landscape came through strongly in the 2019 Midterm Review (MTR) of the current Strategic Plan, as did the need for integrated, multi-faceted solutions executed with a wider range of strategic partners. The MTR highlighted SDG 16 and its role in promoting social cohesion; it saw attacking inequalities, building gender equality, optimizing digital’s potential and investing in prevention as priorities for UNDP in its drive to reach the SDGs by 2030. These same themes surfaced in many of the signals emerging from our consultations and research.
6. UNDP’s December 2020 review of lessons learned from our COVID-19 response showed several of the trends playing out in our experience on the ground. The pandemic’s effects varied greatly: “there is no one-size-fits-all foresight toolkit that can capture the fragmented challenge at hand.” Digital and data tools were central to the response, including monitoring responses, predictive analysis and simulation and measuring outcomes. As social cohesion and rule of law challenges escalate, it was clear that social protection, livelihoods, debt, governance, justice and gender empowerment would remain priorities. The measures UNDP had to take to fund a timely response underline the need for greater flexibility in funding allocations.

## TRENDS

7. These are 11 of the trends – not in any order of magnitude or priority – which stood out as we combed through the signals emerging from our consultations. Symbols in the margins indicate where trends intersect.

	Solve a puzzle, don’t answer a question
	Multilateral fragmentation
	From climate change to climate emergency
	Bouncing back from the brink
	Prevention: An investment worth making
	Looming debt crisis
	Social contracts under pressure
	You don’t speak for me
	How much inequality is too much?
	All things being equal
	Digital everything

## TREND #1

## Solve a puzzle, don't answer a question



8. Our world is a complex system, made up of many interconnected elements in constant flux that interact (and adapt) – making outcomes impossible to predict. Climate change, the digital divide, biodiversity loss, inequalities, pandemics – these are dynamic, interconnected puzzles. The way we address one affects outcomes in others. They require systemic solutions, not single-sector answers. An approach to poverty eradication focused on alleviating individual or household poverty, for example, is fragile without structures of social protection and the social contract underpinning it.
9. For governments used to responding to public sector challenges through separate interventions layered on top of one another, this complexity is hard to handle. True, technological prowess to understand challenges and develop solutions is constantly growing. New technologies like artificial intelligence, synthetic biology or 3D printing are improving at exponential rates. But the largely nineteenth century static institutions and linear processes of government haven't kept pace. Nor have they kept up with the increasing digital sophistication of their citizens. Many young people, for example, have no affinity with traditional democratic institutions and processes, but rather are fixated on engagement, voice and the news cycle – leaving governments far behind.
10. In response to this complexity, the role and structure of governments are changing. Governments increasingly recognise that they must develop new, anticipatory systems approaches to address complex twenty-first century problems<sup>4</sup> and the demands of empowered, digitally connected citizens. This includes moving away from building static capacities to developing dynamic processes for rapid and inclusive decision-making and innovation – often involving a broader range of civic and private actors far beyond traditional conceptions of “government.”
11. COVID-19 forced rapid changes in how governments serve and communicate with their citizens. Indeed crises have been found to drive innovation and change in the public sector because normal rules are suspended in the urgency of response.<sup>5</sup> COVID opened up the space for policies previously

considered controversial or not feasible and revealed the potential of unobvious solutions from diverse sources, like Indonesia's peer-to-peer wealth redistribution platform or Viet Nam's novel approach to R&D for inexpensive COVID testing kits.<sup>5</sup> Governments in Latin America built social safety nets and consolidated datasets to map informal workers<sup>6</sup>; Pakistan launched the largest emergency cash programme in its history to support 12 million families.<sup>7</sup> Responses at regional and local level, attuned to local realities, sometimes proved more efficacious than those of central government. The idea of government as a platform<sup>8</sup> became familiar worldwide.

12. The implications for development? Systems transformations demand more than just stitching together individual projects. Integrators are needed to join the dots across interventions. Development actors like UNDP must reorient themselves towards systems transformation, while still delivering tactical wins.<sup>9</sup> As well as their usual role as policy advisers to governments, they may also become designers and facilitators of large-scale open innovation platforms that address the SDGs collaboratively. That will involve expanding their spheres of partnership and collaboration, working with movements and advocating for change - not necessarily a comfortable fit for an organization like UNDP, wired primarily to work with governments. Moreover, truly “reaching the furthest behind first” may mean confronting the 5-10% of problems which a government struggles to solve – problems which often manifest at the “last mile” and take on diverse, subnational identities.
13. There are implications for funding development, too. A different, more patient investor is required to finance such systems approaches: one who values slower, transformative change above short-term sectoral results. And results must be measured differently; in reducing the complexity of human development to numerical targets we've conflated progress on the SDGs with the transformative potential of the 2030 Agenda. We need broader metrics than GDP to measure all the dimensions of human (and planetary) wellbeing.<sup>10</sup>

<sup>4</sup> Working with change: systems approaches to public sector challenges, OECD 2017

<sup>5</sup> Global Policy, April 2020

<sup>6</sup> RBLAC Accelerator Labs

<sup>7</sup> Ehsaas Emergency Cash

<sup>8</sup> A Working Definition of Government as a Platform, 2019

<sup>9</sup> Innovation at UNDP, Medium, October 2020

<sup>10</sup> Human Development Report, 2019

TREND #2

# Multilateral fragmentation

- 14. Multilateralism and the global financial system, under increasing pressure from narrow national interests,<sup>11</sup> are becoming more competitive and antagonistic. Power is shifting to the east and south, driven by the growing economic and political weight (and demographic growth) of emerging players. Tensions between the US and China (between them accounting for over 40% of global GDP) could cost the world economy as much as \$700 billion in lost output in 2020.<sup>12</sup> As UN Secretary-General Antonio Guterres warned, “Our world cannot afford a future where the two largest economies and societies split the globe in a Great Fracture”, each with parallel rules, norms, technologies and information.<sup>13</sup>
- 15. Multilateralism having enjoyed a post-Cold War honeymoon, the framework of institutions that led to the liberalisation of international trade and finance is now being challenged. Protectionist measures adopted by some countries reacting to COVID-19 exacerbated an emerging shift away from multilateralism.<sup>14</sup> The UN system is no longer the only forum for global consensus-making, perhaps no longer even the central one. New players are emerging, and global power is negotiated within alternative networks and spaces. Rising powers are investing more in projecting global influence, including in new dimensions like digital technologies. The G7, G20 and other smaller issue-based coalitions and networks are gaining prominence through so-called “club governance” or “minilateralism”<sup>15</sup>, while global collaboration on common issues like climate change, human rights, debt and trade is increasingly compartmentalised.
- 16. Even in this environment, funding to multilateral organisations is increasing, with middle income countries among the biggest beneficiaries of recent increases. But a growing share is earmarked. And more humanitarian and development functions of DAC governments are merging into ministries of foreign affairs or trade, with varying degrees of independence.<sup>16</sup> The system is evolving towards “à la carte” multilateralism, with consensus-based approaches losing ground to ad hoc initiatives funded by a few large donors, whose influence may

grow correspondingly.<sup>17</sup> Fragmentation – of funding, of multilateral systems, of individual viewpoints, of governance – is an increasingly common feature of the landscape.

**“The global atmosphere is thick with geopolitical tension.”**

Ipsos Global Trends 2020



<sup>11</sup> European Commission 2020 Strategic Foresight Report

<sup>12</sup> IMF Managing Director Kristalina Georgieva

<sup>13</sup> UN News

<sup>14</sup> UNCTAD 2020

<sup>15</sup> Review of International Political Economy

<sup>16</sup> The Conversation

<sup>17</sup> OECD Multilateral Development Finance, 2020

TREND #3

# From climate change to climate emergency

17. 80% of people around the world believe “we are headed for environmental disaster unless we change our habits quickly.”<sup>18</sup> The conversation has shifted from climate change to climate emergency – and that sense of urgency is widely felt. 71% agree that, in the long term, climate change is as serious a crisis as COVID-19.<sup>19</sup> For the first time in the history of the WEF’s global risks survey, the top five long-term risks by likelihood are all climate-related.<sup>20</sup> Poverty is already converging with climate-related threats like flooding, for example in sub-Saharan Africa, and up to 132 million people may fall into poverty by 2030 thanks to climate change.<sup>21</sup>

“Planet Earth is facing a climate emergency”, declare over 11,000 scientists in 153 countries<sup>22</sup>



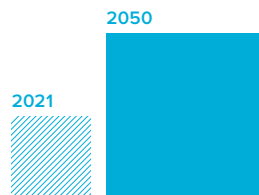
18. But will anxiety mean action? People may be ready to reject plastic straws, and two-thirds of them agree that companies don’t pay enough attention to the environment. Activist movements are loudly demanding change. But attitudes vary. Among Africans who have heard of climate change, for example, a large majority – including some nine out of ten East Africans – say it is making life worse.<sup>23</sup> Yet over a third of people globally are “tired of the fuss being made about the environment”, with older people less convinced of the scientific case than the young.<sup>18</sup> There is also more assertive climate denial in many societies, sometimes linked to populist or anti-establishment movements, despite the scientific evidence.



19. To limit global temperature rises to 1.5 degrees above pre-industrial levels requires action at huge scale. Encouraging signs of greater awareness include new, more diverse alliances of governments and businesses, regions and cities emerging<sup>24</sup> to collaborate on shared vulnerabilities and solutions (an interesting parallel with other multifaceted governance crises that require coalitions at transnational, national

and local level). 70% of countries supported by UNDP’s Climate Promise are increasing their climate mitigation goals (compared to just over half at the start of COVID-19).<sup>25</sup> Insurance industry players<sup>26</sup> and institutional investors like BlackRock are factoring climate risk into their work.

20. COVID itself offers a unique chance to address climate change through green economic recovery, investing in renewable energy, smart buildings, green and public transport,<sup>27</sup> with significant co-benefits in terms of jobs. Non-fossil fuel technologies create more jobs per unit of energy than coal and natural gas. Decarbonising the world economy could add \$98 trillion to GDP by 2050, quadrupling renewable energy jobs to 42 million, with higher gender parity than traditional sectors.<sup>28</sup> But the evidence so far suggests the vast majority of stimulus packages are being invested in fossil fuel- and capital-intensive projects, underlining the disconnect between public demand and government action. If climate change is an emergency, how do we rally a commensurate “emergency response”? And how do development actors strike the right balance between supporting governments and established institutions and working with ad hoc coalitions or movements?



Renewable Energy Jobs  
Decarbonising the world economy could quadruple renewable energy jobs to 42 million, with higher gender parity than traditional sectors.

<sup>18</sup> Ipsos 2020  
<sup>19</sup> Ipsos Mori, 2019, Ipsos April 2020  
<sup>20</sup> World Economic Forum Global Risks Perception Survey 2019-2020  
<sup>21</sup> Reversals of Fortune, World Bank, 2020  
<sup>22</sup> Bioscience, 2020  
<sup>23</sup> Afrobarometer, 2019  
<sup>24</sup> UNFCCC  
<sup>25</sup> COVID’s impact on NDC, UNDP  
<sup>26</sup> Insurance Development Forum  
<sup>27</sup> BBC Future Planet  
<sup>28</sup> IRENA/UNDP



TREND #4

# Bouncing back from the brink

21. Resilience to systemic shocks is no longer a theoretical concern. COVID-19 has made governments and companies painfully aware of the fragility of the critical systems upon which they depend. Global resilience has declined by a fifth since 2019<sup>29</sup>, mainly due to the cost of COVID stimulus measures. On top of the pandemic’s already massive economic and social costs, corporate bankruptcies, unemployment and non-performing loans will likely start rising over the next few months into 2021, further testing the resilience of the financial system.<sup>30</sup>



*“As we saw with the financial crisis and now with COVID-19, systemic risks can quickly overwhelm processes that previously appeared robust.”*  
Ilan Goldin

22. COVID is aggravating inequality, poverty and insecurity in fragile countries, making it more important than ever to focus development efforts there.<sup>31</sup> The funding gap for climate and disaster resilience, cause for concern even before the pandemic, looks set to widen<sup>32</sup> as the impacts of climate change continue to worsen, the costs of adaptation significantly increase<sup>33</sup> and fiscal pressures squeeze the funding available.

23. Many policymakers have become acutely aware of the importance for the global recovery of building both socioeconomic and climate and disaster resilience – and of the synergies between them. If done smartly, economic recovery can strengthen climate and disaster resilience; if not, it can make us more vulnerable and increase future adaptation costs. Decisions have to be more risk-informed and conscious of multiple threats. Plus, high quality, real-time data really matter. We can’t respond to a crisis if we don’t know where it is and how fast it’s spreading.



Global resilience has declined by a fifth since 2019, mainly due to the cost of COVID stimulus measures.



<sup>29</sup> Swiss Re, 2020

<sup>30</sup> Ravi Menon, October 2020

<sup>31</sup> States of Fragility, OECD, 2020

<sup>32</sup> ODI, October 2020

<sup>33</sup> Global Commission on Adaptation

## TREND #5

# Prevention: An investment worth making



24. Global peacefulness deteriorated in 2019<sup>34</sup>, as conflicts and crises that had begun to abate were replaced by the tension and uncertainty of COVID-19. There were 79.5 million forcibly displaced people by the year's end, 85% of them hosted in developing countries.<sup>35</sup>
25. Poverty remains concentrated in fragile contexts, with 76% of those in extreme poverty living in fragile contexts (460 million people). Even pre-COVID, most fragile contexts were on track to meet just one SDG – SDG 13 on climate – and progress was particularly challenged on SDG 2 (hunger), SDG 3 (health) and SDG 5 (gender equality). COVID has accentuated this fragility; fragile contexts account for 43% (26 million people) of those expected to fall into extreme poverty due to COVID by the end of 2020.<sup>37</sup> The difference in levels of fragility between extremely fragile and non-fragile contexts has widened.<sup>36</sup> The furthest behind are being left even further behind.
26. Nearly half the global poor live in conflict-affected countries. In the Middle East and North Africa, for example, extreme poverty rates nearly doubled between 2015 and 2018, from 3.8% to 7.2%, spurred by the conflicts in the Syrian Arab Republic and the Republic of Yemen. Conflict imposes a poverty burden that accumulates as a conflict debt that lingers for years, damaging all development resources from human capital to infrastructure.<sup>37</sup>
27. Conflicts have become more complex and protracted, involving more non-state groups and regional and international actors. Conflict is fluid, spreading across borders to affect broader regions as a result of countries' greater interconnectivity. In many contexts, violent conflict is sparked by a breakdown in the prevailing social contract; some such conflicts have been exploited by extremist groups. While some violent conflict has regional dimensions, regional responses have been uneven in their ability to sustain peace. Regional competition can fuel unilateral action, prolonging conflicts and weakening regional organisations' capacity to prevent further conflict.<sup>38</sup>
28. Conflict and instability are increasingly driven by non-traditional security threats like economic stagnation, irregular migration, environmental degradation, urbanisation, declining public services - and now pandemics. Disaffection is growing and pressure on governments escalating, even in some places to the point where generalized instability may become more likely. Such challenges will act as threat multipliers, further exacerbating existing security dilemmas and the complexity of the 2020s. Addressing these threats will require greater willingness to work through multilateral organizations, because they don't respect borders. Investments need to be made in improving multilateral institutions, rather than seeking to circumvent them.<sup>39</sup> ↗
29. Recovery and stabilisation will remain a major part of development actors' work in fragile contexts. Those depend heavily on ODA; in extremely fragile contexts, for example, ODA is 11.5 times the value of foreign direct investment and 2.5 of remittances. But preventing conflict and instability in the first place would deliver a greater return. Every dollar invested in prevention saves \$16 of economic loss. With humanitarian need overwhelmingly linked to conflict and violence (86% between 2002 and 2013), prevention could also save up to \$2.5 billion a year in humanitarian assistance and peacekeeping.<sup>40</sup> Joining up efforts to foster peace in a new humanitarian-development-peacebuilding nexus<sup>41</sup> and recognizing the interdependence of programmes to promote stability and economic growth could be starting points. This will require a different kind of financing, that looks at emergency relief and longer-term development needs as part of a single picture (together with peacebuilding), rather than a competition for scarce resources in which urgency often wins out over sustainability.

<sup>34</sup> Global Peace Index 2020

<sup>35</sup> UNHCR

<sup>36</sup> OECD 2020

<sup>37</sup> Reversals of Fortune, World Bank

<sup>38</sup> Current Trends in Violent Conflict, William Robert Avis, 2019

<sup>39</sup> Preventing the next wave of conflict, Wilson Center 2020

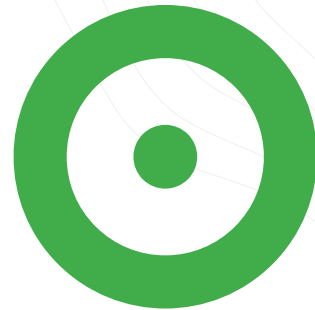
<sup>40</sup> DevPolicy

<sup>41</sup> The New Humanitarian

## TREND #6

## Looming debt crisis

30. A debt crisis is looming for developing countries, where public and publicly-guaranteed (PPG) debt is building up to its highest levels ever. Total external long-term PPG debt service costs are expected to reach \$54 billion in 2021 for the 73 poorest countries, and \$293 billion for other developing countries. While the 73 poorest countries have access to concessional financing and the debt service suspension initiative, other developing countries are tapping markets and domestic debt to the hilt.
31. Almost half of the world's poorest countries are in or at high risk of debt distress. Six developing countries have already defaulted in 2020. Debt burden indicators are equally severely stressed for many other and larger developing countries.
32. This debt burden compounds the drastic impact of COVID-19. 43 developing countries are expected to witness a post-COVID real growth slowdown<sup>42</sup> in 2021. While most developing countries are expected to regain their 2019 GDP per capita levels by 2023, 49 will not. Some countries may experience a double-dip or prolonged recession.
33. A wave of debt restructuring is likely. Some may comprise debt swaps (that may include green, social or digital earmarks) or debt buyouts (where governments or IFIs buy discounted debt instruments). In the absence of debt restructuring, many countries will try to borrow their way out of debt distress, tapping international markets. This may work for countries that can still take advantage of favorable market conditions, but most will face steep costs.



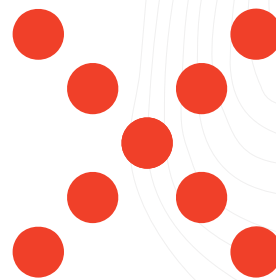
<sup>42</sup> Slower than the pre-COVID five-year growth trend

TREND #7

## Social contracts under pressure

- ◆ 34. Governing is getting harder. The issues confronting governments are becoming more complex and interdependent, while technology is rapidly multiplying the range of players with a voice or a platform, whether they be NGOs, corporations or empowered individuals.
  
- ◆ 35. The traditional social contract is no longer working for many.<sup>43</sup> More than 1.1 billion people live without proof of identity and struggle to access basic services.<sup>44</sup> 4.5 billion are excluded from the social, economic, and political opportunities the law provides.<sup>45</sup> As inequalities have grown, social media have amplified differences of religion, race or sexual orientation. As our lives become more and more digitalized, 83% of people are worried about losing their job<sup>46</sup> through automation, globalization or the gig economy. 56% of people (across generations, genders and income groups) even believe that capitalism today does more harm than good.
  
- ◆ 36. Unhappy with this state of affairs, citizens are demanding that their governments deliver basic services and prosperity, protect them from globalization<sup>47</sup> - and lead the fight against COVID-19. A spring update of the Edelman Trust Barometer showed that people were relying on governments to fight the virus on all fronts: to provide economic relief (86%), get the country back to normal (79%) and inform the public (72%). Yet, while people's trust in government rose from 54% to 65% in the nerve-racking period between January and May 2020, this is actually a striking departure from the previous decade when trust had been stagnating. In January 2020, governments (like the media) were perceived as both incompetent and unethical; 66% of people expressed no confidence that their leaders would be able to address their country's challenges.<sup>45</sup>
  
- ◆ 37. The economic and social costs of COVID-19, and some governments' innovative experiments to mitigate the pandemic's impact, have sparked fresh debate about what should be included in the social contract. The Government as a Platform<sup>48</sup> approach, for example, lays claim to various potential benefits including a more efficient, transparent, whole of government approach to serve the people better. But meeting citizens'

expectations of a new social contract will be hard in the current context of limited fiscal space, compounded by the distrust and polarization described above. Everyone sees the future differently – and wants something different from it.



**“It used to mean one person, one vote. Now it means one device, one voice. Every voice will be heard via Twitter, Snap, YouTube, Facebook or Instagram”**

Barry Chudakov

<sup>43</sup> Forbes, October 2020

<sup>44</sup> World Bank, 2017

<sup>45</sup> Justice For All


<sup>46</sup> 2020 Edelman Trust Barometer

<sup>47</sup> Ipsos Global Trends 2020


<sup>48</sup> A working definition of Government as a Platform, 2019

TREND #8

# You don't speak for me

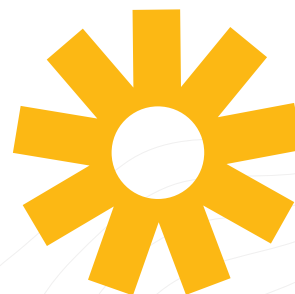
38. COVID-19 has cast a spotlight on systemic inequity.  67% of people believe that those with less education, money and resources are bearing a disproportionate burden of the sacrifice, suffering and health risks, and more than half are very worried about long-term, COVID-related job loss. A growing sense of unfairness in the system is driving distrust across institutions.

39. An increasing number of people feel that those who represent them don't speak for them. Dissatisfaction with democracy is reaching an all-time global high, in particular in developed democracies. Although, globally, seven in ten think democracy is the ideal governance system, the figure drops to less than half in some countries.<sup>46</sup> The relatively successful response to the pandemic in some authoritarian societies is even encouraging some young people to question the efficacy of democracy, wondering if authoritarian regimes are not better equipped to deliver rapid results.

 40. Protest movements have grown over the past few years as people have taken to the streets to demand action on economic inequality, climate change, gender and racial equality. In Latin America, satisfaction with the functioning of the political system reached its lowest point in 2018, with 3 in 4 people expressing a negative judgment about political life in their country. This may have already started to affect general support for democracy, with 28% of people describing themselves as indifferent between authoritarian and democratic regimes (almost double the 1990's figure).<sup>49</sup>

41. Freedom House found that 2019 was the 14th consecutive year of decline in global freedom.<sup>50</sup> Since the pandemic began, the state of democracy and human rights has further declined in 80 countries. 64% of experts surveyed believed that the impact of COVID-19 on democracy and human rights in their country would be mostly negative over the next three to five years.<sup>51</sup> Personal and civil liberties such as freedom of movement and assembly have been severely restricted.<sup>52</sup> In at least 30 countries, governments are engaging in mass surveillance in partnership with telecommunications providers

or military intelligence agencies.<sup>53</sup> Elections have been postponed, parliamentary and judicial work suspended. Restrictions on news media were introduced or increased in 91 countries.<sup>50</sup>



**“As one respondent said, “Coronavirus was used as an excuse for the already oppressive government to do things that it has long planned to do, but had not been able to.”**

Freedom House

<sup>49</sup> UNDP, 2020

<sup>50</sup> Freedom House, 2020

<sup>51</sup> Freedom House, 2020

<sup>52</sup> Brookings, August 2020

<sup>53</sup> The Hill, October 2020

## TREND #9

## How much inequality is too much?

42. Global prosperity has risen over the last few decades and millions have been lifted out of poverty - but the gap between rich and poor is growing. Since 1990, inequality has increased in most developed countries and some middle-income countries (home to 71% of the world's population) - including India and the world's fastest growing economy, China. In unequal societies with wide disparities in, for example, health care and education, people are more likely to remain trapped in poverty across generations.<sup>54</sup> While inequality among countries is declining in relative terms, stark differences remain; the average income in North America is 16 times that of sub-Saharan Africa.

▽ 43. COVID-19 is deepening inequalities still further. The equivalent of 400 million full-time jobs worldwide are estimated lost due to the pandemic, compared to pre-crisis employment levels.<sup>55</sup> Most countries have experienced drops in labor incomes of a magnitude rarely seen on the national scale. For example, 42% of respondents in Nigeria who were working before COVID reported being out of work in May 2020, and nearly 80% reported income reductions.<sup>55</sup> Some of these jobs may never return.

44. The pandemic is hitting the most vulnerable. Women, alongside the poor, elderly, disabled and migrant populations, have borne the brunt. 76% of all workers in the informal economy are affected.<sup>56</sup> Minorities have been hit harder and are recovering more slowly. Overall COVID is expected to push some 100 million people into extreme poverty during 2020 alone.<sup>54</sup>

45. In April 2020, schools were closed for 85% of the world's children. The poorest, without access to online learning, without school food and even the security school provides, are suffering most, and the learning equality gap will widen.<sup>58</sup> The world had made progress towards reducing the gender education gap - girls in south Asia can expect to receive twice as many years of education as they did in 1990, for example - but these are fragile gains in the face of such a shock.

46. Long term drivers of change like technology, climate change, urbanization and migration powerfully

affect inequality – but for the better? Some can help equalize opportunities, others make income inequality worse.<sup>53</sup> Technology can enable countries to leapfrog development and grow rapidly through technological innovations. But automation is changing the labour market, and it is unlikely to benefit the poor. While technology may enable more flexibility and freedom for white-collar workers, some studies suggest 50% of workers risk losing jobs to automation, with the less educated and minorities most at risk. ◆

47. Whatever the numbers show, perceptions of fairness matter. Even pre-COVID, a median of 65% of adults surveyed in 34 countries felt generally pessimistic about reducing the gap between the rich and the poor in their country. Many also felt doubtful about the way their political system works and the availability of well-paying jobs.<sup>59</sup> Such perceptions of equality and opportunity help determine people's expectations of their governments and the social contract. ✨



<sup>54</sup> World Social Report, UN DESA, 2020

<sup>55</sup> Reversals of Fortune, World Bank, 2020

<sup>56</sup> ILO, June 2020

<sup>57</sup> Apolitical

<sup>58</sup> World Bank, 2020

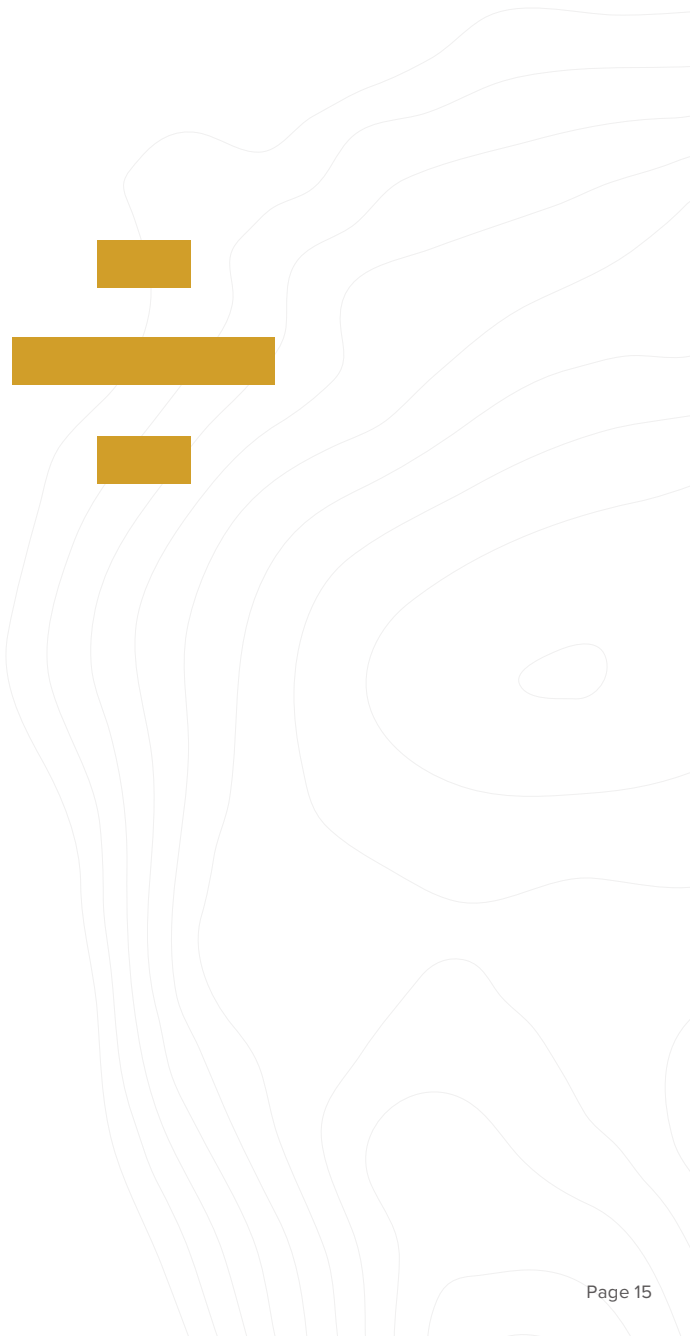
<sup>59</sup> Pew Research, August 2020

TREND #10

# All things being equal

- 48. Women have been disproportionately affected by COVID-19. Women’s jobs are 1.8 times more vulnerable than men’s<sup>60</sup>, partly because women are over-represented in sectors damaged by COVID like accommodation and food service, partly because of the burden of unpaid care. Pre-COVID, women already did three times the unpaid care work men did, but the gap is growing: women in India, for example, are now spending 30% more time on family responsibilities. By 2021 an additional 47 million women and girls will be living on less than \$1.90 a day.<sup>61</sup>
- 49. COVID is increasing the gender gap in other dimensions too. 70% of health workers and first responders globally are women, who already suffered a gender pay gap of 28% (compared to the overall gender pay gap of 16%). Women are more likely to be on the front line of health care and vulnerable to infection. UNESCO estimates that an additional 11 million girls may leave school by the end of the crisis; evidence from previous crises suggests many will not return,<sup>62</sup> with lasting consequences that include a significant reduction in women’s earnings and increases in teen pregnancy and child marriage. Loss of jobs, income and education for women and girls today has a snowball effect on their lives for years, threatening to reverse hard-won gains towards gender equality for generations.
- 50. Emerging data show that violence against women and girls has intensified during the pandemic. Violent partners may use confinement to further exercise control, while women confined to home have fewer exit options. In Argentina, France and Singapore, for example, reports of domestic violence and calls to hotlines increased during the first weeks of lockdown.<sup>60</sup>
- 51. Attitudes shape progress and how women experience a crisis relative to men. For example, over half of survey respondents in South Asia and MENA agreed that men have more right to a job than women when jobs are scarce.<sup>63</sup> Investigations into how social beliefs can obstruct gender equality show evidence of a

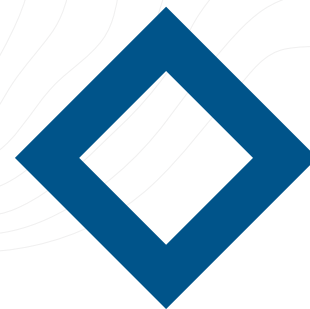
stagnation or a backlash between 2005 and 2014, with more than half the world biased against gender equality and women’s empowerment.<sup>63</sup> And while there is increasing interest in a more nuanced gender equality debate that recognizes a variety of gender identities, beyond binary definitions of male/female, sympathy with such values varies dramatically.



<sup>60</sup> McKinsey & Co  
<sup>61</sup> From Insight to Action, UN Women  
<sup>62</sup> UN Women  
<sup>63</sup> Human Development Report 2019

## TREND #11

# Digital everything



52. Digitalisation is probably disrupting every realm of human endeavour faster and more profoundly than any other single trend. Digital tools and systems are becoming the default means to interact, produce, consume and understand the world around us. 4.66 billion people were active internet users at October 2020, 59% of the global population. One million more join every day.<sup>64</sup> More than 3.4 billion people used digital payments in 2020, growing 10% year on year.<sup>65</sup> The Digital Transition may consume everything: all forms of studying, communicating, and remembering, all interactions, products and services that do not need to be physical (remember printed books?).

53. Underlying this trend is the explosion in data. It is estimated that there are now 40 times more bytes of data than there are stars in the observable universe.<sup>66</sup> Controlling this data is a pathway to significant power and wealth. The big data industry, worth \$189 billion, may reach \$247 billion by 2022. The top five tech companies (Apple, Amazon, Microsoft, Alphabet, Facebook) make up 26% of the US S&P 500.

54. COVID-19 accelerated this trend. Governments moved services, courts, parliaments and schools online. Office workers stayed home (42% of the US labor force were working from home in summer 2020). Social interactions shifted into Zoom mode. Businesses switched to digital payments and contactless deliveries. Some of these changes may prove transitory, many are likely to stick.

55. The automation of jobs will impact economies and societies in profound ways, throwing into question many long-held assumptions about development pathways. Robots (each replacing 1.6 jobs?) will displace lower-skilled jobs initially, but ultimately artificial intelligence (AI) and machine learning (ML) threaten lower-level professional occupations too. The full-time employment model may fragment into part-time/gig/self-employment, with service and knowledge workers working from home for a variety of clients. Market power will concentrate among data owners and business aggregators like Amazon and Google for volume products, but smaller, niche producers will reach viable markets at quite low volumes through digital stores and purchasing of decision data.

56. Governments like Estonia, Singapore and UAE are going digital, too; not just providing efficient public

services online (as COVID forced many to do) but pioneering e-residency and virtual citizenship that blur the familiar modes of governance.

57. Digital technologies are improving at exponential rates – too fast for human comfort. Biometric security features can strengthen user trust in digital devices; increasingly sophisticated search and analytical capacities improve matching between consumers and products; new AI and ML tools can mimic human interactions in almost undetectable ways. Convenient, efficient, secure ...but what of the social and ethical costs: loss of privacy, infringement of civil liberties, monetization of individuals' data, imperceptible influence exerted over individuals' purchasing, social and political choices? Or the risks of further homophily<sup>67</sup>, creating tribal groups which spill over from virtual spaces into physical conflict? The governance of big tech goes far beyond software into societal values like trust, privacy, liberty; and it isn't keeping up with the pace of change.<sup>68</sup> Attempts to address the security challenges of the fourth industrial revolution technologies are often still fragmented. The proliferation of varying international standards (80 frameworks in AI and ethics alone) dilutes the response to the threat, imposing burdensome and conflicting obligations on organizations operating across national boundaries and making it more difficult to converge on a single standard.<sup>69</sup>

58. From this uneasy mix there may emerge a growing premium on trust and verifiability: systems and mechanisms to safeguard digital data and interactions, platforms that are transparent enough to be trusted spaces for interaction, and transparency of AI and decision-making systems (eg avoiding built-in racial bias). Indeed, as governments lose public trust, parts of the tech sector are building trust capital, for example Google and Apple leading development of COVID exposure notification systems after public pushback on government-developed systems.

59. What will this mean for development? Virtual technologies may allow productive-age populations to work in global knowledge and service markets without having to migrate. But if jobs requiring physical effort and human interaction shrink dramatically (or are never created in the first place), huge unemployment and underemployment could result. And in places without much access to tech and bandwidth, a "digital underclass" could find itself left very much behind.

<sup>64</sup> World Economic Forum

<sup>65</sup> Statista

<sup>66</sup> World Economic Forum

<sup>67</sup> The tendency of people to gather among those with whom they share characteristics, loyalties and affinities

<sup>68</sup> Tech Crunch

<sup>69</sup> World Economic Forum



## WHEN TRENDS INTERSECT

60. This paper presents the trends sequentially, but none exist in isolation. They are interconnected, reflecting the world’s complexity. They could – and will – interact in any number of different and unpredictable ways, producing endless possible futures.
61. Some trends collide, others compound. For example, where trends like climate emergency, growing inequality and increasing debt intersect, the result is a confluence of several vulnerabilities – exacerbated still further by COVID-19.
62. Below we illustrate one scenario that might conceivably emerge as the trends intersect. While loosely based on the trends and some of the underlying drivers, the connection to reality ends there: the scenario is completely fictional and does not relate to any real country or community, nor imply that any such developments are likely. It is intended to help imagine the kinds of developments we need to anticipate, and illustrates one of the countless pathways through which the intersection of these trends (and other factors not yet imagined) might play out in different regions, countries and contexts.
63. Scenarios like these also help us imagine the types of responses UNDP might be capable of providing if we build the systems, culture and capacities needed to embrace such futures.

## SCENARIO: STEP

In April 2024, the island nation of Du’ama conducted the world’s first entirely digital national election, run on a platform designed and managed by UNDP. Du’ama is a small nation of 1.6 million people. The combined impact of the climate emergency and devastation of the island’s economic mainstay of tourism after the 2020 COVID-19 pandemic resulted in the largest out-migration of Du’ami adults in history during 2021-2022. As of 2024 more than 85% of Du’ami live overseas, in neighbouring mainland countries and as far away as Scandinavia, where many work in the newly-developing Arctic fisheries.



In mid-2023 Du’ama attempted to hold an election after a period of major social unrest. The election was marred by technical difficulties, delays and errors, particularly with the electronic voting equipment provided by a foreign vendor and the postal ballots used to reach Du’ami voters overseas. This resulted in unprecedented political conflict and a constitutional crisis.

As a widely-trusted local partner with a reputation for digital competence and impartiality, UNDP was asked by the Government and opposition parties to design

<sup>1</sup> Ipsos 2020  
<sup>2</sup> Morphocode  
<sup>3</sup> NOAA

and deliver a transparent and credible election which would allow all Du’ami to vote in real time anywhere in the world. UNDP developed a digital voter registration and voting platform called STEP (Secure, Transparent Electoral Processes) using a mix of technologies, including blockchain for transparent record-keeping and the facial and voice recognition systems now ubiquitous in mobile devices for voter identification and secure voting. Working with sister agencies in the UN system, a robust training, information-sharing and citizen engagement programme was deployed to explain the system and enroll eligible voters throughout the world. Voters were able to enroll and validate their identities online, and to validate their voter details on the blockchain record. The system tracked and shared real-time data on every citizen who had voted, while protecting the actual votes in a completely secure and automated vote-counting module.

The system was designed and rolled out within three months, allowing a fresh election to be held on 24 April 2024. Voting took place in a sixteen-hour window to allow for timezone differences, with the final vote tallies produced minutes after voting closed. The success of this effort was widely praised by the Du’ami and their regional partners, resulting in requests for UNDP to help run similar digital elections around the world. As UNDP entered the 2026-2029 Strategic Plan period the STEP programme has scaled to be a significant part of the organization’s support to good governance globally.

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<sup>1</sup> Ipsos 2020

<sup>2</sup> Morphocode

<sup>3</sup> NOAA

## OBSERVATIONS AND NEXT STEPS

64. The next five years will be fractious and unpredictable. The effects of COVID and the associated economic crisis, compounded by armed conflict and climate change, mean poverty looks likely to rise in 2020 for the first time since 1998, ending over two decades of continuous progress. Overall, COVID is expected to set back progress toward ending extreme poverty by at least three years.
65. Recovery from COVID will be fitful and it will look very different in every country. Advanced economies will “do whatever it takes” to finance skyrocketing deficits, while MICs, SIDS and LICs that cannot tap international markets at low interest rates will “do whatever is possible.” That may mean austerity, fiscal repression or monetizing debt, constraining governments’ ability to finance economic stimulus or social safety nets and testing social cohesion. The trajectory of recovery will be bumpy, with shaky rebounds to economic growth and labour markets stretching into 2024. Developing countries will take longer to return to 2019 levels of income per capita, trade flows, tourism, remittances and commodity prices. Some countries will rebound more quickly because of their ability to control the virus, others will spend the next few years fighting the after-effects, rebuilding supply chains, labour markets and fiscal buffers.
66. This picture is made even more complicated because of the variety of development levels that already co-exist. A country may have high rates of digital penetration and climate-sensitive agriculture coupled with the continuing repression of women. Or unequal and insufficient access to reliable energy alongside innovative forms of governance and near-universal use of cell phones. How do UNDP and its peers design and deliver support in such contexts, tailoring our approach to take advantage of areas of strength while tackling those sectors or groups left behind?
67. COVID has shown how a single shock can reverberate through economies and societies, setting off avalanches of impact and compounding or disrupting existing patterns of change, with the very poorest suffering the most. It is a sombre illustration of what can happen when trends intersect and impacts accelerate. Yet there are glimmers of hope in the innovative responses we are seeing around the world, in the acts of collective response to COVID, the climate emergency and other crises, and in the potential for building back better by leveraging the opportunities at the intersection of trends such as these.
68. Phase 1 of the Strategic Plan has tried, through extensive consultation and research, to build a collective sense of what the next five years might look like, or at least identify some of the forces that will shape it. We cannot predict how COVID, or any of the trends in this paper, will play out. But we can think through the implications for UNDP of this unstable, highly variegated landscape. That will be the focus of the next Phase 2 of the Strategic Plan. How can UNDP best adapt and prepare itself for the future? How should UNDP change – what we do, how we work – so we are more agile and thus better equipped to respond to any number of possible futures in the huge variety of the countries we serve?

<sup>1</sup> Ipsos 2020

<sup>2</sup> Morphocode

<sup>3</sup> NOAA

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