

Why he decided to write a “book on everything”

Ian describes *Terra Incognita* as an “ambitious” book, which covers wide-ranging dimensions of change. It grew out of a frustration that, although we know a lot – about climate change, migration, cyber threats, inequality – we are not doing enough about any of it. He [and co-author Robert Muggah] hope by visualising things in new ways they will provide readers with “a road map for understanding the geography of what is going on, to navigate towards sustainable shared prosperity in the future”. The idea was to use maps – which “give perspective and proportion” – to understand the past 100 years and interpret what’s likely to happen, and effect change, for a brighter future.

Preparing for the future

The great frustration of life, says Ian, is that we have no data on the future, only on the past. So we find it difficult to imagine it and prepare – people are averse to preparing for something that may never happen. As a politician or businessperson you get into trouble if you’ve invested in the wrong thing. We could be prepping for the next pandemic, but then get swiped by a cyber attack. “As humans, we are always fighting the last war.” But as everything that matters will take place in the future, we need to be informed by the past, “not because it repeats itself, but it does rhyme”.

We need to understand the fundamentals – the “system shifters”. This pandemic was inevitable. Ian predicted it in 2013. The resulting financial crisis was also predictable. Yet, even though the risk of being killed by a pandemic is estimated as ten times greater than being killed in a military conflict, we spend one-thousandth as much on pandemic management as we do on military. Politicians’ preferences don’t reflect what we – and intelligence agencies – know. “We are driven by how we feel threat, not by actual data.”

Joined-up thinking

We need all the help we can get from “machines”, Ian says, but these also pose a risk (look at the recent A-levels fiasco). What we need most is collective intelligence. We should be drawing on each other in an interdisciplinary way. We have fared worse in the pandemic as a result of scientists and social scientists not being joined-up. This has impacted on areas like track-and-trace. Companies should task CEOs with also being “chief risk officers”. We must be aware of the risks facing us – terror, cyber, health, climate – and rank them. A “silo approach” to risk doesn’t work.

It is impossible to prepare for every eventuality – there aren’t the resources. But the “working capital tied up is working capital wasted” mantra that they teach in MBAs is part of the problem. It is right to spend “just in case” something happens, rather than “just in time”, when it does.

Global cooperation matters more than ever

The idea that the US could build a wall and insulate itself from a pandemic, terror or climate change is wrong-headed, Ian says. The unthinkable can happen, as we have seen. Walls offer false hope, which is dangerous – they keep out ideas, technology, investment, trade and jobs and seal you into the past; they fool you into thinking “threats are somewhere else”. Just look at North Korea to see what insularity does to people and their capability. “The lesson of the pandemic is the opposite of what people think: it’s not that we have too much globalisation, but too little.”

The term “global governance” is misleading, he says, as few problems require *all* governments to be part of the solution: 12 countries working together could stop all future financial crises and cyber attacks, not to mention climate change, with the same 12 countries accounting for 80% of emissions. Diseases like HIV and polio have been defeated, thanks to a few countries acting together. The failure of some governments should never be an excuse for others not to act.

Pandemics are the exception: they require all countries to pull together. This means finding a solution to a pandemic could lead to a solution to climate change and most other global problems. It is a complex political problem, not just a health problem. There needs to be real political will to stop something like this from happening again.

Globalisation and inequality

Ian talks about “pre-distribution”, as well as redistribution, in fixing global inequality. Pre-distribution means creating an environment where everyone has more opportunity in terms of health, education, housing, transport. Mobility is crucial. A lot of inequality is spatial: people get locked into places – like the Midwest of the US, the North of England, the East of Germany – where towns are decaying and there are no good jobs. In the US, mobility today is half of what it was 30 years ago.

Inherited wealth is also a major barrier to mobility, and we need “proper systems of taxation” to address this (redistribution). The countries that are the most equal – ie. Scandinavia – are also the most happy and productive. Ian says it’s the “ultra-rich bracket – billionaires, not millionaires” that should be the focus of taxation on wealth and income. “Does Jeff Bezos need the \$23,000 a second he earned during the pandemic?” He argues for eliminating tax havens: “this arbitrage means governments are losing their power to do both pre-distribution and redistribution.”

Vaccine nationalism is dangerous, he adds. We are not going to get the global economy started again until Covid is eliminated everywhere. Rich OECD countries have given \$10 trillion as stimulus to support their workers. Poor countries don’t have this. Many more will die of starvation than of Covid. Aid budgets are contracting as countries’ economies contract thanks to Covid. The UK will pay 15-20% less in aid this year. Just when developing countries need help most they are getting less.

The role of multinationals

Institutions like the IMF and WHO can only be as strong as we allow them to be, says Ian. The UK and US created many of these, but now are starving them of mandates and making leadership political. The IMF, operating virtually, has done more in the space of six months than it had in years. We can’t blame institutions for any shortcomings: “we need to look at ourselves and our governments.” Ian laments the US quitting the WHO on the basis that it was being controlled by China (when, in fact, the US has always been the more powerful player). “We can’t walk away from these organisations; we need to reform them for the 21st-century.”

An ageing population

Those who believe there are too many people on the planet are looking in the rear-view mirror, not straight ahead, says Ian. Japan is losing a population three times the size of Oxford’s every year, through old age, and over half of countries have fertility rates below replacement level. Korea, Poland, Hungary

and Brazil are among them. Even in Africa, “the young continent”, we are seeing a collapse in fertility. In 100 years’ time, the world’s population will be lower than it is today. This will have many implications. Retirement as we know it will be abolished – with people having to work into their 70s and 80s and elders holding onto savings and property for longer. People will have to save 100 times more for an equivalent standard of living in this older world. Degenerative diseases like Alzheimer’s and Parkinson’s will need to be prioritised.

Ian sees a “disconnect” between fertility and migration. The countries in Europe most opposed to migration – Poland and Hungary – have the lowest fertility rates, and, thus, will need migrants to take up jobs in sectors like childcare. He thinks Germany has handled the migration issue well – and Angela Merkel has set the country up for the future by letting in 1m refugees. Canada and Australia’s quota systems also work well.

Automation and AI

To the question of if can you replace people with machines, Ian points out China has 3m fewer human workers this year than last year. But he is adamant that automation of jobs will only work alongside humans – welcoming migrants, keeping older people in the workforce and increasing women’s role are all essential. A pandemic in 20 years’ time (which Ian thinks is likely) will see robots in hospitals, cleaning and taking blood.

Digital connectivity has made the current pandemic much more manageable than it would have been 20 years ago. The rollout and inclusiveness of broadband has kept economies going. We aren’t seeing the robots yet, but we are seeing an increasingly digital economy: we are moving swiftly towards being cash-less, and there’s a preference for automated supermarket check-outs as customers shy from human hands. The pandemic is accelerating and compressing time, bringing about advancement of processes that would have taken decades. Cheap capital (low interest rates) has helped, as these processes are capital-intensive.

Globalisation and remote working

People are not coming into offices physically, and why should they when you can work from anywhere online? The World Bank has just announced that its staff can work from any country. Ian says this “de-shoring of professional services” will be the next big disrupter: it will change cost structures and present a major opportunity for developing countries. “Why would you hire a lawyer on £1,000/hour in London when you could get someone for £10 or £100/hour to do the same job in a country like India or South Africa?” Call centres and back offices will soon be finished – that will all be in the Cloud – but there will be a massive opportunity for skilled professionals.

How Ian stays optimistic

Ian has seen “some of the most extraordinary progress” in his lifetime: the end of apartheid, 65 countries around the world becoming democratic, the end of the Soviet Union, 42 countries legalising gay marriage a 20-year average increase in life expectancy... “There has been more progress, more quickly, with more people in my lifetime than in the history of humanity,” he says, but cautions “carrying on with business as usual would be a recipe for disaster... for the planet’s sake and our own, now we need to change how we do things.”