

My 10 positive predictions for 2050

After spending four years researching his new book 'The World in 2050', **Hamish McRae** has some major forecasts about our future – explaining why, despite the huge dangers, he is optimistic



1. A middle-class world

In 2050, two-thirds of the world's population will be middle class or rich. Never has a majority of humankind had access to decent healthcare and education, been able to travel and eat good-quality food, and have a reasonable range of work opportunities.

There will be more wealthy and middle-income countries – and people – and fewer poor ones. And while there are more middle-class people living in developed economies now, by 2050 the new middle class will outnumber the old by two or three to one.

Most people will have broadly similar incomes – living in similar

homes and working in similar offices and factories – but will they have the same priorities in life?

At the moment, the lifestyles of Western Europe and the US are the ones emulated in China and India. Go to new executive housing estates outside Bangalore or Shanghai and it's like being transported to California.

But these apparently similar lifestyles already diverge under the surface. Japanese and Chinese people of similar earnings save a higher proportion of their income than Americans or Britons. Family attitudes on marriage and children also differ.

Will Asia come to have more influence over Europe and America? The

West will probably realise that it can learn from the East.

In China's schools there is more focus on the three "Rs" – reading, (w)riting and (a)rithmetic – than the self-expression and creativity favoured in the West. If the children with Chinese schooling start to do better in their careers than Americans and Europeans, expect education to change worldwide.

In Asia, extended families plan to support all their members, with less reliance on the state to provide welfare services and pensions. If Europe's welfare state model proves unable to cope adequately with the Continent's ageing population, then the burden of supporting the elderly

will shift to families, as in Japan.

I believe there will also be some movement towards more authoritarian society in the West; group identity and responsibility will become more emphasised than individual. The way in which many Asian countries responded more effectively than Western ones to Covid-19 was thanks in part to them accepting the loss of individual liberties for the greater good.

But in an older world, a prosperous global middle class should also contain aggressive nationalism. The most important investment for grandparents is the future of their grandchildren. They will not want to wreck the world for them. However, we have to get through the next 20 years of rising global tensions first.

2. A calmer United States

This prediction might seem jarring given the serious political, racial and economic tensions across the US. But by 2050, I believe the US will be both happier with itself and more sure of its value to the world.

The country's population will carry on growing, keeping it the most youthful nation of the developed world. Youthfulness drives dynamism. When China passes the US in economic size around 2030, it will have a falling population while the US will have a rising one. Meanwhile the US should remain a magnet for global talent.

The US is coping with its political divisions with no more strain than many other democracies would have done, and less explosively than in the past. If history is any guide, American politics will settle down. As the US population becomes even more diverse and non-Hispanic, white people become a minority, and the country will begin to become more comfortable with its diversity. That is not to pretend that racial tensions will disappear, any more than it is to deny that many minorities have been put at an unfair disadvantage by their race. They won't; and they have. Rather, it is to hope that, once diversity is universal, it will be accepted and cherished.

The US is towards the top end of

economic inequalities among developed countries and the gaps have tended to widen, especially in the squeezed middle. Mercifully, the causes seem probable to go into reverse. The costs of producing goods in China will rise, helping US manufacturing; wages in the US should go up as the population ages; technology will increase productivity; and the US tax system could become more progressive.

3. The rise of the Anglosphere

In 2050 the most populous country of the Americas will be the US; in Africa it will be Nigeria; in Asia it will be India; in Oceania, Australia; and in Europe the islands of Britain and Ireland will have surpassed Germany. In all of these countries, English is the most spoken or unifying language.

These countries have many differences. But the common language brings all sorts of advantages, linking countries together even when they don't particularly want to be aligned, and they generally manage to get along with each other.

This is good news for the world, as English-speaking nations will account for around 40 per cent of the world's GDP.

4. A co-operative China

If demography and politics interact in a positive way, China may turn away from aggressive expansionism in the 2030s and place more emphasis on a more comfortable life for its elderly citizens.

With the population falling quite swiftly by 2050, an ageing China's economy will slow down, rather in the same way that Japan's has done. The country will feel quite different from the relatively youthful one of today; the values of the old will gradually become more influential.

There is a temptation in the West to see the coming transformation in ideological terms: will China transition to some form of democracy or remain an autocracy? But a single-party communist government that accepted global norms would be much easier to deal with than a

democratic one that defied the rest of the world.

We cannot know which way Chinese politics will move, but history helps a little. There have been long periods in the past when the country looked inwards and the current policy – of seeking to establish Chinese influence far beyond its boundaries – is an anomaly in that sense. My hope is that once it is clear that China is the world's largest economy and is respected for that, it will step back and become less threatening.

There is, however, a period of profound danger ahead. China will not be comfortable until it regains control of Taiwan, and this may not happen peacefully. Relations with Russia could break down. The South China Sea is an obvious source of tension. We all have to hope that the world navigates its way through these dangers to a calmer and more co-operative second half of the century.

5. An evolving European Union

While there are many discordant voices within the EU, there is no suggestion that another member will leave in the next few years. Most countries facing calls to exit are net recipients of funds from the EU, whereas the UK was the second-largest net contributor. The challenge for the EU will be to persuade its members of those benefits, especially as Europe becomes a smaller part of the world economy.

For core Europe – Germany, the Benelux countries, France and perhaps Italy – the upsides of easy access to each other's markets will probably outweigh the costs. For outer Europe, membership will appear increasingly irksome.

I believe the EU will turn from its aim of becoming an ever-closer union to a more utilitarian association – reversing its efforts to force countries to converge and instead focus on managing a looser club.

Will the euro survive? If it does, it will be as a smaller currency zone centred on Germany. The longer that weaker member states keep it, the more their economies will struggle, and the most likely outcome will be

a split into two zones, with the outer zone devaluing against the core.

6. An integrated subcontinent

India will be both the world's most populous country and its third-largest economy. It will move towards its rightful place as one of the great powers of the world.

But it also faces massive challenges. These include the need to improve the quality of its education system as well as broadening its reach. There will inevitably be grave environmental pressures. And India has to learn to live with the rest of the Subcontinent.

Looming over everything is India's relationship with China and its ally Pakistan. It goes without saying that war between three nuclear-armed powers would be a catastrophe. It does not bear thinking about.

Instead, let's think about what might go right. India, Pakistan and Bangladesh do not need to be friends or political allies – and they won't be. But there is a powerful case for closer economic co-operation, even if there has to be some searing political or environmental event that drives the leaders of each country into appreciating that it is in their self-interest to work more closely together.

7. Africa's rise

It will be a nail-biting ride, but Africa will manage the journey towards its bigger role in the world economy with more success than many people expect.

It is absurd to generalise about such a vast and diverse continent, and success will not be universal. Religious tensions will continue; some countries will stumble from one economic crisis to the next; there will be environmental and human disasters; populations will climb and offering jobs for young people is the continent's greatest single challenge.

But Africa has that re-

source – youth – which will become increasingly scarce in our ageing world. If the majority of Africa's nations can educate enough of its young people, they become the solution to so many problems. We should all hope that will be the case.

8. The new globalisation

It had become pretty clear before Covid-19 struck that the form of globalisation we've seen since the end of the Second World War had stalled. Physical trade as a proportion of global GDP reached a plateau around 2008. But invisible trade, in services, continued to climb.

These trends seem to have been intensified by the response to Covid-19. Manufacturers became more aware of their vulnerability to interruptions to supplies and sought to buy local, whereas cross-border financial flows boomed.

It seems inevitable that the next 30 years will have rising nationalism and at least some retreat from globalisation. Many people would see a retreat from globalism as a disaster, a rerun of the protectionism of the 1930s. But it need not be.

More likely, trade will change. Globalisation will mean cross-border flows of money and know-how rather than flows of goods and people. Raw materials will continue to be transported about the globe, though trade in fuels will start to decline. Trade in agricultural produce will continue, but trade in manufactured goods will decline. The money will be in design and marketing.

There will still be great international competition for skills, but often people will not need to move; they will work remotely. In a generation's time the world will have figured out how best to exploit the possibilities created by the communications revolution: what needs human contact and what does not. The consequence will be a less aggressive, less socially destructive and more acceptable version of globalisation.

9. Technology to the rescue

The combination of big data and artificial intelligence was already leading to huge improvements in the efficiency and quality of how companies deliver their services. The pan-

demical sped up these advancements. The world has had several years of normal competitive development crammed into a few months.

As we saw with the iPhone and the iPad, there are some technologies that we only know we want when we get them. Until Covid-19 we did not know how much we needed Zoom. There will be products and services that will be commonplace in 30 years that we cannot really envisage now.

It may be that by 2050 people can fly to Mars, but that will have zero impact on most lives. However, if you think about what people ideally would want from technology, there is a universal demand for better and cheaper healthcare. That will grow as the population ages.

It is possible to envisage massive advances in medical technology, diagnostics and treatments that will both cut health bills and enable people to live longer and healthier lives.

10. Harmony with our planet

We have nowhere else to go. We have to make sure that our planet remains a habitable and decent home. So there will probably be some moment when the world suddenly decides to throw everything it has at tackling the problem of climate change.

The race to create effective vaccines against Covid-19 in 2020 has been a wonderful example of what governments, multinational enterprises and academic institutions can achieve when they absolutely have to, through a mixture of competition and co-operation. See that as a dry run for humankind's efforts to contain our damage to the planet.

At the moment, the will is not there. That will change. My instinct is that there will be a sudden lurch, triggered by some catastrophic event or a charismatic leader. Take the switch to electric cars: it took a maverick – Elon Musk at Tesla – to make this begin to happen at such astounding speed.

Conversely, it is quite possible that there will simply be incremen-

tal mounting pressure for change, and that some set of technical innovations will trigger sudden economic transformation.

We are custodians of the planet and must strive to be good stewards of its resources.



This is an edited excerpt from 'The World in 2050: How to Think About the Future' by Hamish McRae, published on 12 May (Bloomsbury, £25)

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