



The Bulletin June 2009

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Welcome to issue 2 of 'The Bulletin'

This is the second issue of the Bulletin - a monthly(ish) newsletter produced jointly by Ian Pearson of Futurizon and Rohit Talwar of Fast Future. In each issue we provide short views on a range of topics and issues shaping the future.

To book Ian or Rohit for a speech, or discuss your research and consulting needs please contact us at idpearson@gmail.com or rohit@fastfuture.com

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Government capitalism and public debt - where's the debate about the future legacy?

We are increasingly surprised at the lack of true public debate about the long term impact of current government spending commitments around the world. The US\$50Bn privatisation of General Motors by the US government has brought the whole issue of government capitalism and public debt into sharp focus. For most mere mortals, the sheer scale of the bailouts packages for banking and the stimulus measures for the broader economy are difficult to comprehend.

The IMF estimates that total sub-prime losses could reach US\$4.1 Trillion globally, and it forecasts that the 'rich' G20 countries' debt will grow from 83.3% of GDP in 2008 to almost 100% in 2010 and that Japan's debt burden could be 225% of GDP in 2010. The US Congressional Budget Office estimates cumulative deficit from 2010 to 2019 will total US\$9.3Tn, and public debt would rise to 82% of GDP by 2019. In the UK the estimates for total public sector borrowing in 2009 range from £170-200Bn (US\$270-320Bn). Some analysts are saying it could take into the 2030's to pay back the cost of additional borrowing and quantitative easing measures.

Most people expect long term interest rates to rise to in order for governments to attract the necessary debt funding. Beyond this, reducing debt will require some combination of increased taxes and reduced public spending. Of course governments could just drive inflation to reduce the scale of debt relative to GDP – but the consequences are not considered that desirable.

Our concern is that there really hasn't been a huge amount of rational debate about what this scale of borrowing means in practice. Decisions have been made in our names over bank refinancing, industry bailouts and stimulus packages. What say have we had over where we think the money should be targeted in order to ensure civilized growth and a sustainable society? Where is the objective analysis to show that bailing out inefficient carmakers and greed-driven banks is the best option for securing the long term health of our economies, driving job creation and enhancing skills development?

Furthermore, if we are going to pursue some mix of spending cuts and increased taxation – who is laying out the options for debate and the consequences of each option? How can we decide the right mix and what tax levels it's reasonable for individuals to pay in return for efficient and effective public services? The media has a critical role to play in facilitating this debate – instead most seem to be focused on laying waste the politicians and sensationalist headlines about hospital closures and failing schools. The depth of the problems facing developed economies requires us all to step up and take a far more long term and mature perspective to discuss these issues based on what we want for the future of our nations and the sacrifices we are prepared to make to see those visions realised. Far too much of the conversation is about what we want to move away from rather than defining a positive vision of what future we actually want for our societies.

Decline in books and newspapers

Many publishers are panicking because sales are falling, and some believe it's because people can read stuff on computers now, where they can get content for free. Certainly they can, but most people who are familiar with IT still prefer to read on paper. Paper is a very versatile technology, and even the very best electronic displays struggle to match any of paper's many qualities. If it had only just been invented, it would be hailed as a major breakthrough. We have over 80,000 flying hours on computers, and we still buy newspapers almost every day, as well as several weekly and monthly magazines, and buy loads of books, all in paper form.

So, it's too simplistic to blame electronic displays and free content. We think that it's actually lifestyle and value changes are responsible for most of the decline. There are many components of this. Firstly, today's society is more inwardly focused, more interested in instant entertainment than responsibility, and there are far more leisure options to indulge this change in values. Given the choice of chatting to friends or reading a newspaper, most people will pick the former most of the time. Secondly, perhaps globalisation has meant that the stuff we hear about on the news is so much more beyond our control now, and therefore of less interest. News can be very depressing, making us feel like powerless pawns rather than encouraging us to get involved.

Another interesting reason for the decline, almost in the opposite direction, is 'Skyglow'. Skyglow is the atmospheric backscatter and fluorescence caused by excess lighting that means that light from stars is washed out. People living in cities today rarely see stars in any number, and very rarely see the Milky Way, or experience the sheer wonder that results from stargazing. It is so easy to forget that we are just a tiny part of an enormous universe. Without this sense of wonder, interest in science has declined generally, and it has also become much easier to become inward looking, focused on those things and people immediately around us, or those on the net or TV.

The combination of disempowerment and the loss of wonder are perhaps responsible for a large proportion of the decline in news, while the diversity and richness of other entertainment options accounts for the decline in book reading. The culture of instant gratification coupled to enormity of supply has led to shallowing of depth, where celebrity substitutes for leadership and easy access to multimedia substitutes for the mental effort needed for reading. If this is true, then the decline might continue, but it will eventually level off, simply because paper is still an excellent medium, and because most people will always still value the rewards of involvement and awareness in spite of the many other options available to us. The balance might fluctuate, but the market will remain healthy. The challenge for print publishers is to learn how to leverage web based media to encourage people to read the printed form.

Let's not get physical – the need for new thinking on future public infrastructure

We've largely stayed away from working with the UK public sector for the last few years because of an immense frustration of the lack of genuinely innovative thinking about how best to spend public money. Over the last few months we've been invited in to talk to various public sector groups and are delighted to say people seem far more ready to consider imaginative solutions. It seems the spending crisis is forcing a radical rethink.

Luckily other industries are providing a lead. For example, in the food sector it's now widely acknowledged that as the global population rises from 6.8Bn today to over 9Bn by 2050,

we'll need new approaches to food production. Two alternatives now being considered for food production are vertical farms and salt water crops. What are the equivalents for the public sector? Well, for a start, why do we need dedicated surgeries for General Practice doctors serving the community? Most are little more than offices with an occasional treatment room with more advanced equipment. The facilities could easily be installed inside schools – with the surgery open before and after school hours.

Equally, why do we need to build magistrates courts? With a little imagination these could be run in school halls after the end of the school day. Those attending court would not have to take time off work – benefitting them and their employers. Once we start discussing these ideas at seminars and workshops with people from the public sector, the flood gates open and a whole range of very innovative ideas spring forward that could radically transform the efficiency and effectiveness of public service delivery while removing the obsession with physical buildings as the solution to all problems.

Pain measurement

The Sunday Times (June 7th 2009) carried an article about pain measurement, based on work at Oxford University. Fascinating! By looking at the amount of blood flow or neural activity in areas of the brain responsible for the experience of pain, an objective comparison can be made between the magnitudes of suffering in different episodes. It is also likely that it will allow at least some comparison between the suffering experienced by different people. There are wide variety of potentially positive and less desirable applications of such scientific breakthrough and obvious consequences for accident litigation, drug development, and chronic pain treatment. Consider computer games for example. Some games have an element of pain production as consequence of failure, often delivered as minor electric shocks. These could be customised to each individual, so that each player suffers equally, levelling the playing field somewhat between those who experience pain more or less for a given stimulation.

In the further future, the body's nervous system will effectively be just an extension of our IT, as we make links direct to nerves. Stricter regimes might see more scientific approaches to creating pain as a highly effective part of prisoner control. Imagine drawing a line in the sand and telling captives they will experience pain if they cross it. That could be implemented, with a measured pain level enforced, increasing at each offence. Or imagine forcing a violent criminal to experience the same pain that they caused their victim as part of their punishment.

Personally we can't wait until we are able to measure accurately the pain and suffering caused by various diseases, so we can finally put to bed the arguments over man flu, i.e. whether women are actually better at coping with discomfort, or whether they just experience less of it. For Chelsea fans, it would help resolve whether Didier Drogba is genuinely in pain when writhing around the soccer field or just being an idiot! And imagine how pain endurance or bravery based game shows could evolve. Today, we admire those who appear to be brave, but perhaps they just experience lower levels of stimulation. When pain and suffering levels are adjusted to compensate for each player's response characteristics, we may often find that the supposed wimps are actually able to withstand just as much. Who knows? One thing is certain: being able to objectively measure and compare pain and suffering between people will change a great many aspects of our everyday lives. The main nightmare is what will happen when criminals, terrorists and the health and safety people get hold of the technology.

Ian and Rohit on the road

If you'd like to meet with us on our travels, in the next few weeks Rohit will be speaking in Aberdeen, Amsterdam, Budapest, Helsinki, London and Munich and Ian will be speaking in Glasgow, London, Brussels, Geneva and Chicago.

What is the Bulletin?

The Bulletin is a response to requests from our respective clients and contacts to provide a monthly update of our current thinking on what's happening in the world around us and what could shape the future we're moving into. To book Ian or Rohit for a speech, or discuss your research and consulting needs please contact us at idpearson@gmail.com or rohit@fastfuture.com

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Forthcoming Dates for your Diary

June 25th, The Future of Connectivity, The Club of Amsterdam at the RSA, 8 John Adam Street, London, WC2N 6EZ, registration begins at 6:30pm. Admission Free

<http://clubofamsterdamatrsa.eventbrite.com>

July 21st -24th, TED Global, Oxford, England, \$4,500,

<http://conferences.ted.com/TEDGlobal2009/>

October 14th-16th, 5th European Futurists Conference, Lucerne <http://www.european-futurists.org>

October 21st -24th, Poptech 09 – America Reimagined, Camden Maine, US\$3,500

<http://www.poptech.org/>