

PREDICTIONS

The world in 1998...

Every year, *The Economist* makes its predictions for the year ahead through its publication *The World in...* As *Market Leader* was launched 20 years ago, this was what they thought was in store. By **Julian Saunders**

Patents vs. copyright

The Economist: "Intellectual property is about to develop a split personality between patents, which are about to enter a golden age, and copyright where enforcement of rights will become increasingly difficult as The Internet changes the rules of the game."

J.S: Almost impossible, as it turned out. Piracy became huge through sites such as Napster and Megaupload. Enabled by the internet, the value of counterfeit goods now exceeds \$1.3 trillion – more than 2% of world economic output. Try this little test to see how easy it has become: go to Google and type in 'watch [insert the name of your favourite movie] free online'.



Demergers and break-ups will be the big theme of business

The Economist: 1998 will see the greatest number of demergers, break-ups and spin-offs. Over the next decade, demergers will be the repeated theme of restructuring, affecting a huge swathe of those working in western corporations.

J.S: Today, we see consolidation across many sectors and even monopoly power in some, such as online advertising and e-books. In a recent special issue, *The Economist* called it 'winner takes all' and said: "Firms are abusing monopoly positions, or using lobbying to stifle competition. The game may indeed be rigged."



The Digital Revolution and e-business (from an IBM ad in the publication)

The Economist: The future of business begins with e-business. Thousands of businesses have taken the first step to becoming an e-business by establishing a website to publish information. The second step is moving to self-service websites, where customers can do things like check their account status or trace a package. This is harder to implement but the potential return is great.

J.S: IBM called it right – but did not quite nail the point that financial transactions would also go online across many sectors.



European Monetary Union fails to capture popular support

The Economist: "Monetary Union will become a reality in 1998. If it fails it will pull Europe apart... so far; Europe's politicians have made no effort to educate their electorates on the benefits and drawbacks. The lack of enquiry and debate about EMU in Europe has been lamentable. Britain has had a debate of sorts but not an illuminating one."

J.S: We are now living with the full consequences of the European project being run by elite technocrats who are disconnected from electorates. Britain's Brexit debate was not particularly illuminating or fact based.

American politics as game show

The Economist: Although the US is at the height of its military and moral power, its political life in 1998 will be as trivial as a game show. Mr Clinton's big idea was universal healthcare. That debacle cost the Democrats the Congress in 1994. Into the ascendancy swept Newt Gingrich's Republican revolutionaries. Mr Gingrich's big idea was small government, an aim he pursued with such zeal that for a while he actually forced the federal government to shut down.

J.S: No change in the small government vs. big government fault line that runs through US politics, which if anything has become even more tribal. Nobody could have predicted that one day a US president would be elected who became famous for fronting a game show, *The Apprentice*. Nor was *The Economist* as insightful as H. Mencken, who said in the early 20th century: "On some great and glorious day the plain folks of the land will reach their heart's desire at last, and the White House will be adorned by a downright moron."



The Green Revolution and cars

The Economist: 1998 will see the first real challenge to the hegemony of the conventional internal combustion engine. The alternative car of the future will be hybrid. Its engine will be electric but it will not depend on battery alone. The simplest of these hybrids is coming onto the market in Japan.

J.S: Not so much a revolution as a slow evolution – and proof of Neil Armstrong's dictum that "we expect too much change in a year and too little change in a decade".



and in 2018



The Royal Family's image will suffer in comparison to Tony Blair

The Economist: [The Queen] is a virtuous woman in every way – liberal-minded, good-humoured and devoted to her people – she is nevertheless devoid of flair and imagination. Her new Prime Minister once played in a rock band. It is hard to see Her Majesty on lead guitar. Set in her ways since early childhood, the Queen has always reigned by the book – and the book is now out of date if not yet out of print.

JS: There was a wobble when it seemed that the Queen's stiff-upper-lip attitude looked out of touch after the death of Princess Diana. But when it comes to brand management, the Queen had the better long-term vision – with 'authenticity' and 'trust' being a better long-term bet than hipness and flair.

Julian Saunders is founder of The Joined Up Company. Julians@joinedupcompany.com
www.joinedupthink.com

Suddenly, everybody wants to be Netflix

JS: In 2019, every big player in Hollywood and the Silicon Valley will be competing to sell you more television over the internet. The streaming rush for 2018 and beyond accelerated in August when Bob Iger, the boss of Disney, announced that the firm will launch a streaming service in 2019.



Britannia becomes uncool

JS: Britain, 20 years ago, was labelled 'Cool Britannia'. In the run-up to Brexit, will 2018 be the year when it is widely viewed as Uncool Britannia? Uncool is different. It is being brave enough to stand alone against enemies in the 20th century, and clumsy enough to find oneself alone among friends in the 21st. But then again, with our genius for branding, perhaps we'll make this cool again.



Business leaders will be sucked back into the political arena

JS: As worries about tech monopolies build, Silicon Valley's secretive tycoons will have to persuade citizens in Europe and the US that their firms should not be broken up or heavily regulated. Britain's multinationals will speak more loudly in favour of soft Brexit. But even as the business world tries to adapt to populist politicians, it will face a new storm. The rows about gender and free speech that burn on America's university campuses will spread to global company offices and boardrooms.



Some of the predictions of quantum mechanics are downright weird

JS: In 2018, the world will hear a lot more about them. Devices composed of 'qubits' will be able to crunch through some kinds of calculations that would take current computers millennia, and create message transmission systems that are, in principle, impervious to hacking. The quantum gold rush will entice growing numbers of speculators.



Human obsolescence via artificial intelligence

JS: AI researchers, polled at two big respected conferences, predict:

- A machine would win the world series poker within three years.
- Robots would be better at folding laundry within half a decade.
- Lorry drivers will be obsolete within a decade or so.
- Retail workers have 15 years left.
- Machines will be writing best-selling books within three decades.
- The most gung-ho thought that humans would be obsolete by the middle of the century; the most pessimistic (or optimistic) said that this would not happen for 200 years or more.



Gaming escapes the bedroom big time

JS: Competitive video gaming – or e-sports – is rapidly moving from the fringes to the mainstream. The industry is growing at internet speed. Competitive gaming will take its most audacious leap towards mainstream recognition when it makes its debut as a demonstration sport at the Asian Games in Jakarta in August 2018. The games are the world's second-largest multi-sport event after the Olympics – the organisers of which are mulling the inclusion of e-sports as a medal sport for the Paris Olympics in 2024.



OMO (online merges with offline) and the mass penetration of smart bikes

JS: Four factors are enabling OMO: rapid smartphone uptake; frictionless payment systems; cheaper and better sensors; and advances in AI. Commuters have leapt onto smart bikes that are reshaping rush hour in China's busiest cities. They are equipped with solar-powered GPS, an accelerator, and Bluetooth and thermal detectors. Both near-field communications and microphones are activated by a smartphone. To sign up to ride, you make a digital payment on your phone and the bike's smart lock automatically opens.

