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Voiceover: *A Deeper Look. Exploring what works and what doesn't in development and the changes we can make together to turn ideas into action.*

Patrick Fine: Hi. I'm Patrick Fine, CEO of FHI 360, and this is *A Deeper Look* podcast. As our returning listeners know, this year we're talking about the trends that will shape the future of human development. With the advent of a pandemic in 2020, we're getting a look in real time at how a global pandemic has both accentuated, amplified and accelerated some of the trends that we've been discussing on the podcast. Two of the watch words that have come up as a result are "adaptability" and "resilience." And, it's something we speak a lot about at FHI 360, the need to adapt our practices and to be resilient in the face of massive disruption. Today, I'm very pleased to have the opportunity to speak with a futurist, Lars Gustavsson, a leading partner for the Fourth Sector Futures Group. Lars, welcome to the podcast.

Lars Gustavsson: Thank you.

Patrick Fine: So, Lars, I think many people who listen to this podcast are familiar with the term CFO, or chief financial officer. Many organizations have a CFO. Far fewer organizations have a CFO who is a chief futurist officer, but I see that that's one of the titles you've had in your career. You have a fascinating career working with civil society organizations in international development. Can you tell me what exactly is a futurist and how did you work in international development or in human development as a futurist?

Lars Gustavsson: Well, to start with, I guess I can't help myself. My head is wired as a futurist. I've always been looking at issues five, 10, 15, 20 years down the road. It's just the way my head works. So, the role of a futurist, particularly in the space that I played with World Vision International and international development as a whole, was basically trying to help, let's say in World Vision's case, to answer questions like, are we relevant 20 years from now, 10 years from now? What are the big megatrends that we need to be prepared for? What are the potential disruptors that will drive us out of business or make us irrelevant? What does the life of a child look like 10 years, 20 years from now, and are we actually set up towards meeting a child's needs, or those needs of youth, or those needs of society as a whole?

During that time that I spent, I spent probably 70 percent of my time actually outside World Vision interviewing and rubbing shoulders with private sector, public sector, UN [United Nations] actors at kind of the top of the policy realm, but then also beneficiaries, victims of disasters and the poor at the grassroots end, trying to ask the same kind of questions and gather insights as to what's working and what's not and what the future actually looks like. So, I wasn't so interested in gathering information as such. I was more interested in looking at insights. And, I think that's what a, a futurist, a good futurist, does is seeking for the insights.

Patrick Fine: You're currently a partner at Fourth Sector Futures Group. Can you just tell me a little bit about what the fourth sector is?

Lars Gustavsson: Sure. Uh, the fourth sector is effectively the business space at the intersection between one, the public sector, two, the private sector, and three, the civil society sector. Or, said another way, and perhaps using a metaphor which is a set of gears, it is putting into motion and synchronizing the now four gears, but adding into it the so-called fourth sector. So, the fourth sector idea is not new as such. It's been often ignored, avoided, bypassed, challenged or even overlooked.

But the new today is that each of these three sectors are starting to pivot or bend towards each other. And, as each sector over the recent years is learning that we need each other. Uh, the problem has been that these gears or sectors have often been running independently, not synchronized well or simply spinning. Development agendas have been minimized rather than maximized as a consequence. And, also, development gains have tended to run parallel to each other, instead of in harmony with each other. And, a lot of leverage has been subsequently lost.

Patrick Fine: Let's explore those four gears today. What are the megatrends that are going to affect the way we as a global community address human development needs? So, as a futurist, what megatrends are you tracking right now?

Lars Gustavsson: Over the past five years, I've been tracking 11, but the most relevant ones I think in my opinion are three, what I call the pivot from rural to urban, and the pivot from civil society to civil corporation, and the pivot from physical aid to digital aid. Of those

three, the first one in my viewpoint is the most interesting one. It's the most serious one. It's the most disruptive one of all 11, particularly when it comes to how the SDGs [Sustainable Development Goals] play out. Who's who in the zoo, both currently and in the future of development itself, including humanitarian aid?

Patrick Fine:

So, that's the pivot from rural to urban. I think the world population became majority urban in, uh, 2006 is the date that sticks in my head, when more than 50 percent of the global population was living in cities. Why do you put that as the most significant of those three megatrends that you just described?

Lars Gustavsson:

All right. Some quick background, perhaps, just to set the stage and remind us in terms of numbers. So, if we look at Africa today, almost six people out of 10 live in cities. It's the fastest urbanizing continent. If we look at Asia, about seven people out of 10 live in cities. If we look at the Americas, mainly talking about Central America and southern America today, almost nine out of 10 people live in cities, and it's the most unequal continent.

Patrick Fine:

Unequal in terms of economic inequality?

Lars Gustavsson:

Yes. Well, I don't know if we want to limit it to economic inequality, although that's probably the, the primary aspect there, but inequality as a whole.

Patrick Fine:

Okay. Social inequality, access to upward mobility, those types of factors?

Lars Gustavsson:

Right. Access to technology, gender, ethnicity, race, economic, social, violence. It's a complicated continent so it, it's the most unequal continent, is how it's often described. If you look at, say, by 2030ish or so, these regions will continue to move towards cities with average will be around nine people out of 10 in all regions. Let's say if we look at post-World War II, right, or shortly after that war. International aid started to take root. And, then, when we got into the early '70s with the Ethiopia crises, and moved on from there. Development was largely designed and planned around rural development. So, whether we're talking about donors, the implementers, the NGOs [nongovernmental organizations], civil society, local and host governments, all of us were trained on rural development. So, we've been tooled up to do,

uh, rural development since then. In effect, we've not made that switch.

Patrick Fine:

I certainly started working in rural development and I can relate to the point that you're making. When you say we haven't made that switch, you mean that the donors and the international organizations, whether it's a UN organization or a civil society organization, haven't made both the mental and the operational switch from a rural development orientation to an urban development orientation?

Lars Gustavsson:

Yes. So, if you look at it from the top, let's say 90 percent of the actors working in international development, most things have not been able to make that switch or have chosen not to make the switch. Only a few have. And, then, if you look at the available resources by the, the traditional donors and new donors, most the traditional money has been removed from the rural bucket towards other priorities. So, the megatrend for NGOs, if I may say it that way, the INGOs [international nongovernmental organizations], is we have to find new business models. We will be disintermediated out of our roles if we don't move towards blended modeling, different kinds of financing, because it just simply isn't there.

If you look at, what are the urban tragedies or urban needs versus rural, well, the top killers or hazards in urban settings are car crashes, respiratory disease, drownings, violence and gangs, urban diseases and tobacco. Urban hunger is completely different than its rural cousin. And, the urban is edging towards youth, whereas the rural is edging towards elderly. So, there's a long list of significant differences. There is a huge mismatch between how we were, as in INGOs and the whole aid sector as such, as we've tooled up over the past many decades, to where we need to be now and where we need to be going now.

Patrick Fine:

So, that's the first of the three megatrends that you identified. The second one was a transition from civil society to civil corporation. I think that's how you put it. What do you mean by that?

Lars Gustavsson:

Well, I think we understand civil society. The part that we understand perhaps less so is civil corporation. So, let me start with, uh, a metaphor of a sphere. So, there's 7.4 billion people living on the planet today. Four billion live inside the so-called center of the sphere. Imagine the globe. These 4 billion live under [US] \$5 per day. Of this 4 billion, 2 billion under \$2 a day, 1

billion live under \$1 a day. And, in Africa, it's 78 cents. That's kind of the space that civil society has said, we occupy this space. We do poor. We do poverty. We understand poverty. Private sector and public sector, they don't, so you need to write us checks so that we can do good development work in this space.

That's reversing now, because the private sector has discovered that that 4 billion is a very large number. This marketplace is actually a viable market. And, so, in this sphere, those who used to be in the center — the aid actors — whereas those who lived in the periphery — private sector and public sector — those roles are being completely reverse or switched today. And, I think that's a good thing. That's good for long-term development because those people living in the center, the 4 billion that I mentioned, they potentially will be far less dependent on charity and philanthropy as their long-term solution. It will be business models where private sector are standing up their new internal verticals to address how they can better function and serve and redesign their systems and structures to benefit the poor.

Patrick Fine:

There's been a lot written and said about the private sector, or the commercial companies, taking on social responsibility and recognizing that it's for their own profitability and good as well as the community's good, that they play a positive role in society and not simply try to maximize profits. Now, it sounds like you're confident that that kind of transition with the private sector playing that more responsible role is happening. I'm less sanguine about it. I've been disappointed. It seems to me that there's a lot of rhetoric from private-sector leaders about their responsibilities, but that it's mostly window dressing or, or public relations. I haven't seen the follow-up in terms of real investment from private companies in society other than those investments that enhance their bottom line.

Lars Gustavsson:

The McKenzie group did a study, oh maybe it was four, five years ago, where they were trying to address a question. You know, what does the world of global transnational corporations look like, particularly in the developing world? What is their role and where, where does this all go to in the next 10 years or so? What they discovered was that there are currently about 8,000 global transnational corporations. About 80 percent of these are based in northern countries. And, about 80 percent of their profits and gains go back to northern countries.

But, looking forward in their estimates and study, somewhere between 2025 and 2030, there will be another new set of about 7,000 companies and corporations who will be formed or evolved, of whom 80 percent of those will be based in southern countries, of which 80 percent of their profits and gains will stay in the south. In addition to that, they also discovered that of the current set and of the future set, about 10 percent of transnational corporations have gone beyond, have already gone beyond the so-called conversation around corporate social responsibility. It's more of a conversation around aid and charity and philanthropy — companies deeply aspiring to create markets and do social good or business for good, if you wish, in these economies. So, if you look at 10 percent of 8,000, that's 800 companies around the world who are already involved in one way or another.

I think the problem from our vantage point, if “our” means civil society actors — we don't understand private sector and that's been the main problem. We don't speak the same language and so we don't measure them the same way. We don't address them the same way. We don't have the same expectation. It's different language altogether. Whereas, if you look at and work with and through the private sector itself, they have begun to evolve their own language, which I'm finding is fascinating. We're at the early stages of this, so Patrick, you're right. It's easy to be a little bit cynical today. But, if we talk about megatrends, these are the projected trends and changes that we'll see by private sector. That's hopeful.

Patrick Fine:

That is hopeful. I wonder about the 80 percent of the 8,000 businesses that you project will be created in poor countries. We're a big fan, I'm a big fan of social enterprise and of private enterprise in general. So, I do see private enterprise as one of the engines of raising living standards. There's two things I struggle with. One is that the track record in affluent countries is that sort of unbridled growth of private enterprise, uh, results in growing inequality. At least, that's what we are seeing in the U.S. since the 1970s or early '80s, so for 40 years this trend of growing inequality. And, if these new companies that you project will be formed in the developing countries follow the example from the U.S. and Europe, that could just lead to more inequalities.

And, then, the second thing that I've been grappling with is around growth as the only model for increasing prosperity and for maintaining stability in human society. So, right now, that's the

model that we're using that there needs to be continuous growth, population growth, economic growth. And, I worry about the sustainability of that, particularly, you know, over 30 or 40 or 50 years, and whether we should be trying to reimagine a different kind of development model that does not rely on constant growth.

Lars Gustavsson: The reliance on growth I think is very much, it's very much more of a North American concept. Big is better. We're the biggest. More money, market-driven mechanisms are what the world needs to solve its problems. So, growth is basically our mantra, whereas in other parts of the world, where they're talking about Asian economies or European economies, it's always been less about growth and has been about collaboration. Where civil society has needs and input, where the public sector says how can we help, and private sector says we believe we have some tools and ideas. It's always those three groups working together to create a better society.

If you look at the list of the 10 percent global transnational corporations, generally you will see it's Asian or European companies who are doing the most business for good through collaborative mechanisms, where growth is not the objective, where building better societies is. Because building better societies will ultimately lead to better markets which will ultimately lead to more stable markets, which will ultimately lead to more profits. Whereas the American model is often the other way around.

Patrick Fine: I take your point, but I still think that commercial companies in Africa and in Asia and in Europe also are looking at their sales and their revenue. The whole system is set up to reward companies that grow, that increase sales, that increase revenue, and to punish ones that don't grow. And, so, that set of incentives really drives human behavior at a societal level. And, while I've always been an advocate for private enterprise and I think it's an essential component of any national strategy for increasing people's liberty, their own personal agency and their well-being, I worry about the contradiction of a strategy or a system that relies on ever-expanding growth. I think that it will come up against some physical limits that then will create crises that we don't know how to resolve.

Lars Gustavsson: Yeah. I mean what you just said now, I would tend to agree with that. But, I think some of the, the good news within this conversation from emerging markets is, if you take India for

example, where they've worked with northern transnational companies for decades to produce, let's say very expensive equipment in the health space, whereas India will say we know what we need here. We don't need 95 gadgets or 99 buttons to do what we need here. We need three or four. So, an instrument that costs \$200,000 in Germany may cost \$5,000 in India. But, it's their local innovation. It's their local companies and they're working on local solutions.

Other examples have to do with maybe global insurance companies who charge high premiums in the north. But, in developing countries they're using satellite imaging for indexing to reduce premiums from hundreds of dollars per month down to dollars per month ...

Patrick Fine: Mm-hmm.

Lars Gustavsson: ... for the local poor and providing access to insurance coverages that northern countries take for granted which have never existed for the most part for the common person in the south.

Patrick Fine: Well, that kind of links to what I think was your third megatrend, which I think you described as a pivot to digital technology. But, you know, one of the frequent responses when challenged about, is continuous growth a sustainable strategy, is that technology will continue to create efficiencies and to essentially solve problems, so that it will be sustainable, both at an environmental level and also in the kind of systemic aspects that you were just talking about in terms of innovation that reduces costs, increases efficiency, spreads the benefits of technology around the world. Can you say more about your third megatrend?

Lars Gustavsson: Yeah. I mean some immediate benefits have been in the emergency response space. And, I've worked in emergency response for a very long time. What you typically see, we have a mega-disaster happen in Haiti or the Philippines or in Indonesia or in Iran. Huge mobilization of supply chains. Hundreds of millions of dollars. In World Vision, for example, Haiti, the earthquake that happened. We raised \$300 million in 12 weeks. What do you do with that kind of money? First thing that happens is, you've got to hire a staff. And, second thing is, you have to mobilize supply chain. So, you end up spending hundreds of millions of dollars in stuff. The same thing in Indonesia. The same thing in Iran. The same thing in Philippines, and over and over.

So, what's happening is the mobilization of things is transitioning to the mobilization of digital technology, where the locals can have more access to their, their own local needs and solutions. That's happening in the area of digital money, digital health, digital trade, digital commerce, digital education, digital entertainment and all future work. Local supply chains are increasing. Global supply chains are transitioning. It's messy right now. I don't know where all of this will land. But in the end, I guess the greatest benefits will be to local and regional solutions, as opposed to what we've been accustomed to, mainly global solutions. Global solutions are very nonresilient during crises. Local solutions are more resilient.

Patrick Fine: Maybe that's another megatrend that is connected to technology, but it's more than technology, a trend towards local action or local solutions that we see reflected both in politics now, with the kind of anti-globalization move. But also, we just see as practical response to problems people face.

Lars Gustavsson: Yeah. I would agree with that statement.

Patrick Fine: Now, these three megatrends that you've described, the transition from rural to urban, the transition from civil society-based action to more civil corporation-based action, and then the pivot to digital technology, those three trends, they're very operational. When I've asked other guests on the *Deeper Look* about what they see as shaping the future of human development, the number one trend that people cite is climate change. Is it that you're defining, in very practical operational terms, and that these things will then be shaped by broader phenomena like climate change?

Lars Gustavsson: The way I treat climate change in my mind is that climate change impacts all megatrends. It's not a megatrend as such, but the impacts of climate change manifest themselves differently within each of those so-called 11 trends, or the three that we've just talked about, big time. We can talk about climate change as a megatrend and kind of clinically carve out what those impacts look like. But, at the end of the day, climate change is not a standalone trend. It's integral to all megatrends.

Patrick Fine: Yeah.

Lars Gustavsson: Might be considered as kind of an accelerator towards both good things and bad things, helpful things and harmful things, within each of the trends.

Patrick Fine: Right. I mean it's a global phenomenon that is going to shape human behavior and therefore perhaps be an accelerant or be a, a driver of these trends that you're forecasting. I would see population as similar, or demographic change as the similar kind of overarching phenomenon, that will shape human behavior. It's not just population growth. So, you know, we'll see Africa become the most populous continent by the end of this century, is what's currently forecast, but it's also population shrinkage in countries like Japan. Their population is forecast to go from 130 million people today to about 60 or 70 million people in 2060, so in 40 years. Futurists like yourself as still trying to figure out, how will nations cope with those kinds of forces unleashed by demographic change. Is that something that you've looked at?

Lars Gustavsson: Yeah. Exactly. To your point on population — age, applied across all countries or regions around the world, is very different. That will have a tremendous impact on development. Pandemics, like we're seeing today, is not a megatrend per se. If you look at global health, we've seen SARS [Severe Acute Respiratory Syndrome]. We've seen Ebola. We've seen bird flu. But, this one's like something we've never seen before. Pandemics are not megatrends, but they are great accelerators. And, so, I don't think the pandemic that we're seeing right now is going to change the megatrends that we've talked about.

Population, same way. If you look at population today, one out of seven people on the planet is an immigrant. Three quarters of those are internal displaced populations. One quarter are international immigrants. That number could potentially double over the coming years if we don't handle a pandemic properly or if we have other, similar global hazards such as the pandemic or climate change.

Patrick Fine: So, Lars, do you see massive migration and displacement as a trend or as an accelerator?

Lars Gustavsson: Originally, I saw it as an accelerator, but now I think I'm seeing it as a trend.

Patrick Fine: Yeah. That makes sense to me, too. I like the way you're conceiving of trends at a sort of human behavior level, versus what

you're calling the accelerators, which are these mega-phenomena which drive and accelerate human behavior. Now, I know that many of the listeners of *A Deeper Look* are very interested in how we will organize ourselves as institutions, as organizations, as communities to address human development needs in the future. And, you've mentioned a couple of times in this conversation the need for new business models. Can you say a little bit more about what those new business models are and what they'll look like?

Lars Gustavsson: Yeah. So, I think that depends on who we're talking about, business models for what institution. So, if we start with the set of UN institutions and agencies, with their business models or their institutions are mostly set up post-World War II or during the Cold War years. These are all state-focused institutions. So, while much of that is still relevant, the UN needs to recalculate its role with the world's top 50 megacities. Let's take the country of Peru. Fourteen out of 15 people in Peru live in Lima. What's the role of state in a country like Peru?

Patrick Fine: Wow.

Lars Gustavsson: Versus the role of municipalities. There are other cities in Peru, too. But, the one person who lives in the rest of the country, lives in the rest of the cities and rural areas. This is just one example for Latin America. I could have mentioned many, many, many cities in Latin America where that's the same idea. And, these other regions around the world and continents are moving that direction as well. If you would do a power-mapping exercise around various states as it relates to the UN and UN's role, that has to be completely recalculated, particularly when you look at — already today, the world has more than 50 megacities that have over 10 million people in each. And, many of these are in developing countries. Maybe second UN example might be the Blue Helmets.

Patrick Fine: Which are the peacekeepers, the UN peacekeepers.

Lars Gustavsson: Exactly. So, the UN peacekeepers are designed to deal with inter- and intrastate conflict, whereas today's conflicts are often in urban settings where policing forces are needed, not militaries. The UN has never created a policing force, ever. That's not what they do. But that's where the primary need is. If we look at the business models for OECD countries, Organization of Economic Cooperation and Development, these are the top 30 most wealthy nations on the planet, the OECD countries. Those donor countries,

about 26 of them, they've already declared that they will shift their focus in the bottom two-thirds of the world's emerging democracies.

Their research demonstrates that what they need to focus their business on — collaboration and business in the emerging world — so it's about 75 countries. They need to focus on three ministries which they've determined will have the foundation for a peaceful society, for a peaceful nation. There's the minister of justice and law, the minister of defense and security and the minister of finance and treasury.

Patrick Fine:

What's necessary for a commercial operation to function, first and foremost, there has to be stability and security. Second, you have to have a justice system that protects private property and that enforces contracts. And, then third, you've got to have the infrastructure that is built by mobilizing domestic resources and managing, good management of public resources. So, those three functions — justice, security and finance — are the enablers of a healthy commercial sector.

Lars Gustavsson:

Now, if you look at the business models as it relates to INGOs and how they interact with what I just described, it has been a decision made by the OECD donor countries. Ninety percent of our current aid basket, which is about \$130 billion, is going to be realigned or rechanneled to these 75 countries, or to these three ministries, in the name of accelerating global peace. The remaining 10 percent left for NGOs, including the UN, is already earmarked for new disasters and emergencies — not current ones but new ones — or for fragile-state context. So, INGOs are not prepared to lose this funding and most will not survive.

And, then, maybe I should mention the private sector. I think they will do well, as I mentioned earlier. However, we will see some major disruption in northern companies, but major innovation in southern companies. So, to answer your question directly, I would say that most, if we pick, let's say, INGOs, the more progressive and successful INGOs will have developed two verticals, a vertical that handles charity and philanthropy and a second vertical that handles market-type mechanisms. And, those two are like water and oil. They don't mix well. But, they are examples of international development organizations who have already crossed that bridge and succeeded quite well in that space and in blending those two. So, the hybrid business model, the blended business

model, and using the business model canvas, which is a very simple tool with nine questions, basically force you to look at things which are tangible as opposed to just theoretical.

Patrick Fine:

Yeah, I strongly agree with your overarching view with respect to new business models for international development organizations or human development organizations, that there are those two verticals, one that is more philanthropic and charitable, and the other which is market-driven and really around being a social enterprise as well as being a charity or a philanthropy. I also see that kind of hybrid model, where organizations that can combine the capabilities that allow them to operate effectively in both those realms and then to mix them together where appropriate, it will differentiate those organizations that are resilient and are able to carry out their mission and those that falter.

Lars Gustavsson:

We need to convene, connect and catalyze. That's our core role as an NGO. I would say the UN needs to probably take note of that as well, and perhaps some of the more religious institutions who have been around for many centuries should take interest in that idea as well. It's not about growth, as you pointed out earlier, as much as it is about how can we serve better in convening, connecting and catalyzing? We've never been really good at raising money. Charity and philanthropy has never really built any society or moved any society or nation from being poor to prosperous. There are no models that exist where that's happened.

Patrick Fine:

Right. I think that is a terrific set of insights that you've just shared, Lars. And, I think this idea of organizations being able to articulate a vision that is not about growth and increasing revenue or increasing donations, but that accepts that, to be more effective and to really fulfill their mission or to carry out their charitable purpose, that that may require that they envision a future where they shrink and they play a different kind of role than they've played in the past. I think that's very relevant for many, many organizations and something that is extremely difficult for organizations — both boards of directors, leadership and the rank and file — to come to terms with.

Lars Gustavsson:

Exactly. I agree.

Patrick Fine:

There's one thing you haven't talked about and perhaps it's an accelerator or maybe it's a trend. But, it's politics. And, what we've seen over the last, say, five to 10 years, is this shift away

from a move towards more democratic societies and more open space for civil society to a closing of civil society space and a move towards more authoritarian, and in some cases, totalitarian governance. Where do you see that political trend that we're observing fit into your overall concept of the future?

Lars Gustavsson: Well, maybe I have another perspective. Not saying that yours is right or wrong. I'm wondering if that's maybe the wrong question. Perhaps these are the wrong focus for the 21st century, in other words, focusing on politics. Politics will always shift and be complicated. Not that we need to be naive or should be naive or ignore politics, but I think rather we should encourage the shift to focus on local relationships that matter, to municipal ministries that matter and to specific individuals holding exceptional powers and influence. We should focus, for example, our advocacy efforts on the 1 percent who have the keys to power and change, and less on the 99 percent.

I would say that 99 percent of our organizations have always focused on the public sector and the common people who actually, truly don't necessarily have the, the same keys to power as the 1 percent who do. We should engage in politics, I think, only as a last resort. I know that might sound controversial. We must stay focused on our mission. We should invite power holders from the top 1 percent and the bottom 1 percent to meet and build together. Then, our role should be to convene, connect and catalyze and get out of the way.

Patrick Fine: I think that is a very interesting and contentious point of view. Many people on the *Deeper Look* podcast, many previous guests have made the point that you can't separate human development work from the politics. And, what I hear you saying is we should separate the human development work from the politics.

Lars Gustavsson: I'm also saying, whose politics. If we assume power to change society lays at the feet of the traditional actors who we've typically dealt with as the right political places and spaces and individuals, then I'm suggesting today that I think we need to recalculate and rethink that.

Patrick Fine: But traditionally, we've focused on national governments and large institutions, whether they're governmental ministries or academic universities or institutes or big corporations. But, we've looked at

those large institutions and their leaders as that 1 percent that hold power. Are you suggesting doing something differently?

Lars Gustavsson: Yeah. I would say that there are 200 families who own and control 99 percent of the world's power and wealth. But, the point is, when did we as a system of international development experts and thought leaders, along with our resources and systems, actually try to focus on 10 percent of that 200. Or, in the United States, there are 400 families who own and control 95 percent of this country's power and wealth. The European continent — there are about 2,000 families across those what, 26-plus countries. So, on the one hand, that crowd, depending on the region or geography you're talking about are very rarely summoned, invited, engaged. Many of them would like to, but they don't know how. They haven't been at the table; they haven't been invited to the table to join. So, that's kind of the 1 percent story.

The other percent story are, the role of state, I think, is getting less and less relevant, and the role of mayors are increasingly more and more relevant. So, if we would make a pivot or shift in politics, I think we can make a lot more smart advancements with refocusing and engaging at the municipal level rather than at the state level. And, that's certainly true for the UN level.

Patrick Fine: Very interesting perspective. Lars, thank you so much for sharing your look into the future, what you see as the megatrends. Now, this year on *A Deeper Look*, I'm asking each of our guests a final question. As you look into the future and you look at the challenges that confront us, you look at the way we're addressing those challenges — are you optimistic about our ability to overcome these challenges and to continue to progress and build healthy prosperous societies, or are you pessimistic about what the future holds?

Lars Gustavsson: Overall, I am an optimist. That's my natural default. And, at least when considering global development in the medium- to long-term. I guess I would say I'm much less optimistic about the short-term, largely due to the erosion of trust within and between nations, leaders and publics. I'm more optimistic for those nations whose governance models are built on the idea that the well-being of society as a whole is what matters and where there's a constant interaction between public, private and civil society. These societies have deep cultures that celebrate the "us" and the "we." And, these societies tend to be robust and resilient. And, generally

their collective culture is designed around the idea of “for the common good.”

I’m much less optimistic for those nations whose governance models are built on the idea that the well-being of markets, or the private sector and the wealthy, is what matters. These tend to celebrate and protect the “I” or the “me” or the “mine.” These societies tend to be much more volatile in times of stress and crises, and we’re seeing that even today with the COVID-19 pandemic. Generally, the collective culture is designed around the idea of “for my individual good.” So, maybe that’s not the most pleasant way to answer your question or end my remarks, but that’s how I might view your question today.

Patrick Fine:

Lars, I think that the way you have reflected on optimism and pessimism, both in the short- and the medium- to long-term, provides a very wise perspective on the question of what the future holds. Thank you so much for being on *A Deeper Look* and sharing those perspectives with us today.

Lars Gustavsson:

It’s been my pleasure. Thank you.

Patrick Fine:

And, thanks to our listeners for joining us for this fascinating discussion. I invite you to share this episode, post your comments and thoughts on the trends you see shaping the decade ahead. I’d love to hear some of your reactions to Lars’ points of view about what the future holds. Join us next month for another episode of *A Deeper Look*.

[Music]