

Hard to plan for a brave new world

How can we plan financially when the impact of technology and an ageing population promise to transform our lives, asks **Sohail Inayatullah.**

Even amid the "future shock" of the past 50 years, the future has been stable. It has been defined by continued economic growth — a suburban home, escape from manual work, a better life for one's children, and a nuclear family.

There are also traditional notions of the course of one's life (birth, student, work and retirement near the ocean or golf course) and working patterns (five days a week, nine to five).

Financial planning for long-term security is an easy task when the future is similar to the past. In such a climate, things work out — irrespective of when one invests in the share markets, as long as one keeps on investing.

Of course, say the planners, investing should be balanced, and the sooner you start, the better.

But in the year 2000, can we confidently assert there will be a continuation of the trend of rising markets, of the move from industrial to post-industrial, of increasing wealth for the top- and for the middle-class in western nations?

Going back a generation, researchers in a 10-nation survey asked 9,000 people 200 questions focused on this year. They were asked to predict the future (*Images of the World in the Year 2000*, edited by Johan Galtung and Robert Jungk).

What they saw was the dark side of the "continued growth" future.

Says Galtung: "More sexual freedom, less attachment to families, more divorce, more mental illness, more narcotics and more criminality, a future of highly materialistic, egocentric individuals striving for



personal pleasure and benefit."

What people saw was a gap between the image of the future — an endless array of new technologies leading to progress — and the reality of their own, increasingly meaningless lives. They saw the postmodern future and, for Australians the reality is borne out in our youth suicide rates.

It is this social vacuum that has historically characterised a time between eras, but what will the new era we have entered look like? Can we plan for such an era?

In visioning workshops conducted by this author in Taiwan,

New Zealand, Thailand, Germany and Australia, two alternative futures emerged.

The first is the continued growth scenario and the second is an organic, green future. In this "green" future, technology is still central but relationship with nature, God and neighbours is more important than getting a new yacht.

But the future may be dramatically different from either of these forecasts and three growing trends challenge them.

Ageing: First, an ageing population means retirement pensions are difficult to sustain (the

ratio of worker to retiree will dip from 3:1 to 1.5:1). Second, who will buy shares when baby-boomers sell for their retirements? Third, whose hard work will drive the economy?

Fourth, can we imagine a world with an average age of 40 instead of the historical 20?

Genetics: Discoveries occurring daily may mitigate against the decline in elderly health. Also on the horizon are the creation of synthetic DNA, computers that use DNA instead of chips to store information, cloning, designer babies and the unlinking of sex and reproduction.

Few would object to gene therapy for curing illnesses or preventive gene therapy for foetuses, but there is a fast slide down the slippery slope from genetic prevention to genetic enhancement. Already on Wall Street, the stock prices of genetic companies are starting the quick rise upwards, not yet like .com companies, but the next likely wave.

To assume the genetic future is far away is a huge mistake. With the mapping of human genomes soon to be concluded, next will be social engineering on a massive scale.

Will insurance companies give life and critical illness insurance to those with inappropriate genes?

With germ line engineering (the manipulation of genes we pass to our children) the genetic structure of future generations will be modified, eliminating diseases and "undesirable" traits. For more information, try <http://research.mednet.ucla.edu/pmts/germline>.

Jobs and work: A multitude of job categories are being created that did not exist a few years ago.

While genetic counselling will certainly be a boom career, the deeper question is: will there be jobs in the future? Again not a question with a simple answer. There are three scenarios. The first is: 10 per cent work and 90 per cent don't. The second scenario is: 30 per cent work full time, 40 per cent are in contract work and 30 per cent remain unemployed. The last scenario is full employment — the dream of all liberal governments but, with women working and technology eliminating work, the least likely.

The big question remains: can a future about to be transformed by ageing, genetics and the internet be stable and secure? Can it be planned for?

When your financial planner gives you high-growth, medium-growth and slow-growth scenarios for your investments, ask what will happen if the world dramatically changes, transforming assumptions of continued growth, changing how we work, how we age and the very basis of life.

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