

# WORLD OF DILEMMAS

Increasingly, we are moving from a world of problems—which demand speed, analysis and elimination of uncertainty to solve—to a world of dilemmas—which demand patience, sense-making and an engagement with uncertainty. Dilemmas span disciplines and frustrate attempts to craft elegant and final solutions. Dilemmas require a different orientation, decision process and set of skills.

## Characteristics of modern strategic dilemmas

- Unsolvable
- Complex and often messy
- Threatening
- Enigmatic and confusing
- Two or more puzzling choices—and decisions are still required

One of the purposes of this map is to help you identify your dilemmas. Some of the signals may seem incongruous, even contradictory, but that is because dilemmas often seem like complex, no-win situations.

As you tell your stories from the map, use the signals and focal points to draw out dilemmas. What signals seem to conflict with each other? What combinations present multiple and competing options?

Dilemmas will challenge and frustrate leaders, but they will also present opportunities for deep inspiration, creative innovation and win-win strategies.

## Characteristics of effective dilemma management

- Strategic sense making beyond operational problem solving
- Engagement with complexity
- Uncoupling “winning” from the need for a solution
- Learning through immersive experiences, scenarios and rapid prototyping
- Flexible, decentralized, empowered networks within a structure of strategic intent
- Acceptance of uncertainty with intuition as a valid contributor to clarity

## PEOPLE

### Sustainability defines a new citizenry

As personal health becomes increasingly linked to community health, a new “sustainable citizen” will replace the so-called green consumer. Eco-friendly, low-impact, local and organic will be seen as part of a healthy lifestyle. Sustainable citizens will participate in community-improvement efforts to secure their own health and make their values heard through their purchases, daily behavior, online activity and involvement in local community issues. Tools and practices will emerge to support sustainability lifestyles—carbon footprint calculators, sustainability coaches, personal carbon credits and online forums for personal sustainability strategies. Real-time monitoring of environmental goods and services flows at the household, community and regional level is anticipated within the decade.

### Extreme longevity shifts perceptions of risk and opportunity

Breakthrough bioscience holds out the possibility of much longer lifespans in the next few decades. In the meantime, many cultural analysts note that populations are effectively growing younger, as social and economic aspects of midlife are extended and even childhood lasts longer: young adults are getting married later, having children later and adopting the material symbols of adulthood, such as purchasing homes, later. While the social and political effects of engineered longevity may not show up for decades, the expectation of longer lifespans may fundamentally change the way people view the future and, in particular, risk.

### Links between environment and health grow

Public views of health are moving away from the disease-centered biomedical model toward a more ecological view. This evolving perspective is supported by scientific evidence that where and how people live their lives can have as great an impact on health as genetics, health maintenance and medical interventions. A language of eco-health literacy will emerge over the next decade to frame health concerns in these new terms.

### Polarizing extremes

Though many will rally around common causes and decide to collaborate, anxieties about pollution, climate change and health will solidify strongly-advocated opinions. In both the developed and developing world, communities will use economic, social and political arsenals to protect their positions and resources. Potential results range from obstructionism, to counter-activism to out-and-out violence.

### Self-interest is aligned with collective good

A fundamental principle of cooperative strategy is to link personal self-interest to the good of the larger community. As new technologies and a new sociability make this link more obvious across many domains from health and environment to digital generation, security and even entertainment, expect a proliferation of new commons experiments and innovative solutions to old commons problems. As understanding of these resources matures, people will realize that different kinds of resources will require different management and protection strategies. In “Capitalism 3.0: A Guide to Reclaiming the Commons,” economist Peter Barnes argues for the creation of a commons sector of the economy to make up for the limits of the private and government (public) sector when it comes to preserving natural capital and the rights of future generations. His proposed twin engines of growth-corporate profit maximization and commons wealth creation-would allow for a more prosperous, secure and sustainable future.

## REGIONS

### Decentralized authorities compete for voice and influence

A maelstrom of voices will vie for influence, control and power, under conditions where knowledge and technologies are constantly changing. Surveillance and detection tools are constantly changing. Transparency and accountability but can also enable fabricated “evidence” and spread misinformation. Communities and consumers will challenge the notion of “externalities” and companies will need to rethink their relationships with their stakeholders. Many will look to state authorities to adjudicate these issues—whether through command-and-control legislation, new market and tax incentives or overseeing natural resource damage claims—even as the state struggles to find its role in this volatile climate.

### Geo-politics adopts eco-politics

Anxieties about climate change, vulnerable natural resources, and protected private resources will carve out a new landscape of geo-eco-politics. Environmental impacts ignore national borders, which will encourage collaborative approaches but will also fuel tensions. Perpetrators of environmental abuse do not necessarily feel the effects of their actions, as airstreams carry air pollution miles away, disrupted eco-systems cripple neighboring eco-systems and IP theft and non-cooperation undermine certain strategies. Environmental justice will acquire a global character, and international diplomacy will be forced to manage reparations and environmental damage lawsuits. It is possible that some countries will feel threatened enough to protect resources and enforce measures violently.

### Eco-tools build on bottom-up context awareness

New scientific and social practices—using sensor networks, bottom-up environmental monitoring, collaborative pollution mapping and nested environmental models—will create a rapidly growing awareness of our environment. This “green panopticon” may lead to a kind of “planetary mark-up language” not unlike the Web’s XML, which will facilitate global communication about the state of the planet. Scrutiny of products, chemicals and corporate behavior will come from the top down and the bottom up, as centralized and distributed parties take advantage of surveillance tools.

### Think local, act global

The interconnections between global climate change and local ecological instability, between overall economic sustainability and community economic health will spur increased localism. Some communities will bear the brunt of economic and environmental fluctuations—pollution hot-zones created by cap-and-trade markets, disrupted agricultural seasons, non-potable water—and these communities will protect themselves in surprising ways. Meanwhile, efforts to secure the stability of local and regional ecologies and to integrate these systems with each other and with macro-climates, will be increasingly important.

### Higher (by)product standards

Augmented detection capabilities and pressure for monitoring and regulation will combine to intensify restrictions on production, manufacturing and servicing. As more links between environment and DNA are discovered, chemicals will receive greater institutional scrutiny and higher individual expectations. The entire life-cycle of products will be examined, from inception to eventual degradation—from cradle to graveyard. However, outputs that cannot be used or reused—i.e. those in the “graveyard”—will incur penalties, and companies will be asked by regulators and consumers alike to find valuable uses for all products and by-products. Cradle-to-cradle will be a commonplace demand.

## BUILT ENVIRONMENTS

### Rise of the eco-driven city-states

As urban and regional political leaders seek decentralized approaches to sustainability, look for mega-cities and collections of leading-edge eco-cities populated by the creative class to join climate change abatement efforts as semi-autonomous units. Their size and complexity may demand customized and locally-overseen strategies. Some will distinguish themselves as leading eco-cities, pioneering green strategies, boasting cleaner water and air and accumulating the social and intellectual capital that sustainability innovations attract.

### Extreme urbanization

For the first time in history, the majority of the population will be urban, not rural, and most of these urban environments will be in developing countries. Slums and squatter communities will grow in number and size. Lacking traditional resource-and care-delivery infrastructures, these urban wildernesses will foster innovation. Mobile phones will enable new forms of collaboration. Distributed urban users will pioneer sustainable-out-of-necessity business, development and living strategies. Look for new market opportunities in marginalized and bottom-of-the-pyramid populations.

### Increasing vulnerability will drive climate refugees and reshape migration

Close to 40% of the human population lives near coasts, and rises in sea levels could devastate local and global economies. Natural disasters could cause mass migrations, disrupting neighboring countries, who could respond aggressively and violently. Many of the vulnerable areas have disadvantaged communities, which lack the resources to properly safeguard against these hazards.

### Digital natives define the next generation of civic engagement

As youth media literacy emerges, watch for young people to apply media skills to social, political and environmental issues. They will podcast, blog, tag, rate and review companies, share information and connect online to collaborate. Their evolving literacy could catalyze new forms of civic action as networked publics, commons-based property regimes and emergent self-organization bypass traditional government with ad-hoc interventions and distributed solutions.

### Open-source practices help diffuse sustainable building

The energy required to maintain commercial and residential buildings accounts for more greenhouse gas output than the global transportation network. Building and urban development practices are set to experience innovation around energy efficiency, water use, information transparency and health effects. Biomimicry, micro-energy production and “zero footprint” designs will become watchwords. Watch for do-it-yourself (DIY) home improvement mobs and architectural design knowledge commons to change home building.

### Built environments get smart

RFID, tags, embedded sensors and ubiquitous communication computing will help animate and empower built environments. Products and places will bear user-generated information, which will be accessible through sensing devices and be capable of gathering information. Embedded micro- and nano-electronics make it possible for previously “dumb” materials to sense usage and activity patterns, and communicate this information to other systems. The environmental uses are significant, ranging from finer control of energy consumption to measurement and potential mitigation of “sick building syndrome.”

## NATURE

### Eco-markets face challenges

Using the marketplace to manage ecosystem disturbances, many states, regions and countries will experiment with eco-trading exchanges for carbon, water pollution and air pollution. These exchanges will be plagued by uncertainties in how to value ecosystem services—how much is one acre of carbon-sequestering forest really worth?—as well as backlash from emerging economies who question the exchange rates and the limits on their own development. The result? Eco-markets may be a short-lived phenomenon. Nonetheless, valuation efforts will exert pressure on companies and commerce to acknowledge environmental services, and insurance and reinsurance industries may force the issue.

### Eco-management practices and regulations proliferate

As the effects of climate change mount, both communities and corporations will step up efforts to manage the ecosystem more effectively, focusing on ecosystem services such as carbon sequestration and water quality management to more intangible services, such as the value of view-scapes. They will look to science to provide precise measures and targets, but they will also conform to top-down regulation as states set standards for everything from renewable fuels to personal carbon emission limits.

### Fragmented state practices

As climate change continues to alter ecosystems and spur changes in economic and political practices, some states will find resistance more profitable and attractive. Some might benefit from climate change: growing seasons may lengthen, conditions may enable more productive practices and formerly inaccessible regions may open. Some, especially in the developing world, will simply disregard pressure for green development, preferring rapid industrialization in the race to strengthen economies and infrastructure, even engaging in “greenmail”—offering to trade compliance for massive subsidies or economic favors. Meanwhile, many states will also pilot green development tools and practices. Some may display a disregard for international IP rights, pitting them against major companies and other countries, while others find themselves used as testing grounds for new treatment and clean-up processes.

### Collaborative science and open-source environmentalism

Participatory digital media tools and connectivity will enable bottom-up mapping, monitoring and sharing of data, activities and conditions related to the environment. The emergence of universal protocols for field research will facilitate and accelerate these efforts. These networks will integrate local knowledge and expertise with professional insight, creating webs of population-based science and innovation and informed activism. As local self-interests align with broader issues, these efforts will contribute to open-source environmental strategies and policy making.

### Nature becomes the guide to design

Nature-based models are becoming important in the design of products and control systems. Biomimetic practices allow designers to take advantage of millions of years of evolution towards optimized structures, and will appear with greater frequency in the shapes of cars, buildings, even infrastructure. Biological models will take on increased importance in the management of resources, ecosystems and traffic flow. The changing global climate may also force construction and oversight of designer ecosystems in order to maintain important services despite a changing environment.

## MARKETS

### The intersection of economics and ecoscience creates chaos before clarity

The intersection of ecoscience and economics manifests in the growing market presence of environmental products and services, but also as a new way of understanding value. Ecosystem valuation describes the importance of the natural world using the language of costs and benefits, forcing governments and businesses to look at the broader ecological picture. These valuations are controversial: they are often ambiguous, with conflicting metrics, and environmentalists and economists alike have raised important questions about their ethics and efficacy. For example, critics of cap-and-trade schemes charge that these ‘carbon indulgences’ create pollution hotzones and invite market corruption. Moreover, this is a field in flux—new scientific discoveries could rapidly change the rules for up-and-coming services like carbon offsets and sequestration.

### Eco-brands and offerings expand markets

As consumers express eco-friendly preferences through their purchases, companies will find increasing opportunities to create eco-brands, identify market niches and build their eco-friendly reputations. Some companies already label their products with the environmental impact of their production. Consumers, to maintain freedom to manage their own environmental footprints, will value information over promises. However, companies will face the dilemma of identifying the most relevant information (carbon footprint, local-community impact, equitable practices), calculating this information (using what methods?) and finding palatable ways to present it. Meanwhile, the sustainability and ‘zero-impact’ craze may fuel a backlash, as some people see environmental damaging products and practices as elite, luxurious or just downright more comfortable.

### Smart networking enables new activism

Smart networking practices, personal empowerment and abundant connectivity will stir a whirlwind of new activism, often challenging traditional roles, responsibilities and realms of influence. Increasing lightweight venture funding and social entrepreneurship will produce creative synergies, especially in urban slums. Some shareholders will pressure companies to incorporate sustainable practices, and some parties will become shareholders for the precise purpose of doing so. Amplified by social networking technologies, the voices of stakeholders will louder and, connected together, they’ll be able to champion their own causes. Among these evolving efforts lies regenerative commerce, which sits at the intersection of intangibles and cooperative strategies. Coined by Jon Ramer, the term regenerative commerce refers to values-based commerce that integrates social networks and their values with transactional networks to retain and grow local wealth. In this mix, expect labor to enter the forefront of sustainability debates.

### Design-based manufacturing foments a factory revolution

As rapid fabrication technologies like 3D inkjet printers and laser sintering move from prototyping to production, they will likely trigger a transformation in manufacturing. They will make factories more flexible, short-run and responsive to rapidly shifting markets. More important, they may well unleash a vast wave of design innovation and ultimately more some forms of manufacturing to the desktop, where peer-to-peer exchanges of design are as common as music swapping is today. New production technologies and processes may drive demand for various wastes as base production material, which will open new markets and change the rules of waste regulation.

## BUSINESS

### Financial reform will tackle intangibles

The next decade is likely to see a host of financial reforms in response to natural and social crises that will create volatility in the financial community. Some will be innovations that extend existing financial practice such as microfinance or Islamic finance, but more will use multiple capitals—intellectual, social and natural—to reduce the risk associated with uncertainty in the environment. These will be linked to growing corporate social responsibility requirements and increasing demands for transparency across both corporations and communities.

### A score of scorecards

External scrutiny and evaluation will take diverse forms and functions, but one thing most methods will do is become public. The field of corporate responsibility ratings will range from self-organized, bottom-up ratings by networks of consumers and small business (such as the World Index for Social and Environmental Responsibility and BuyBlue.org) to top-down, designed evaluation schemes by formal institutions like GEMI, Dow Jones and the Financial Times. Metrics for intangibles and alternative indicators like employee wellness, civic participation and carbon footprint per worker will find their way into rating schemes.

### Green is green, toward value-creation

As companies navigate the storm of pressure from various voices—consumers, regulators, partner and rival companies, empowered communities, employees, advocacy groups—they must balance their responsibility to their shareholders and pursue profits. Successful companies will discover points of synergy, where sustainable, eco-friendly and equitable practices create tangible value. Simple revisions in operations to improve energy efficiency can yield immense energy savings in the long run. Protecting and investing in employees can increase productivity and reduce turnover rate. These strategies will become more sophisticated, measurable and mainstream. Companies who take initiative to adopt and innovate these reforms will earn respect and quiet criticism—as long as companies remain honest and transparent.

### Employees as a driver of corporate sustainability

As health care continues to be a major cost to employers, it will be treated as a commons—a shared resource that is susceptible to depletion. While health and wellness become more directly linked to physical environment, work and the physical workplace will become a focus for sustainable systems, conditions and practices. Watch for business services based on FairSource practices and European models of work shaping those in the United States.

### Consumer collectives organize around low-impact commerce

Collective purchasing by groups of Chinese consumers online provides lessons for establishing new relationships between consumers, retailers and manufacturers. Collectives will include community- and neighborhood-based buying groups, as well as formally organized corporate employee buying clubs. As personal sustainability practices and values permeate households and the workplace, look for these groups to drive market growth for low-impact, green products and services.

### Natural systems redesign business interactions

In addition to serving as inspiration for designing new products and functional services, natural systems offer important lessons in organizational processes ranging from team process to collective intelligence and collaborative problem solving. Beginning with experiments in bioteaming, companies will use natural models, from cellular communication to swarms and flocking, to understand more emergent forms of collaboration.

## ENERGY

### Reinsurers as regulators

Reinsurance companies, which provide insurance to traditional insurance companies, pay extremely close attention to emerging risks that might end up causing catastrophic events. The top two global reinsurance companies—Munich Re and Swiss Re—started taking climate change seriously over a decade ago, and have begun to charge higher rates to insurance companies that cover areas most at risk of global warming-related disasters, such as coastal developments in hurricane-prone regions. These higher rates get passed along to consumers, or sometimes even force insurance companies to leave certain areas.

### Do-it-yourself infrastructures create opportunities and gaps

As lightweight infrastructure components for communications, water, power and transportation diffuse in the developing world, a variety of strategies will emerge for local, small-scale implementation—from regenerative commerce strategies that emphasize new commons, to private investment that looks more like traditional chambers of commerce. Both will create opportunities for local and global entrepreneurs, but will also leave gaps that will not only deny access to some but also require adaptable strategies by those who want to use the infrastructures for their own enterprises.

### Energy infrastructure (in)security

Energy will be reframed in a variety of ways, as different parties recognize their inevitable dependence (and interdependence) on the functioning of numerous overlaid energy systems—fuel pipelines, electric grids, etc. Some states will see energy as an economic and political weapon of coercion, domestically and internationally. However, insurgent groups and other non-state actors—called “global guerillas” in John Robb’s book “Brave New War”—will see energy disruption as an effective strategy for crippling states. Using technologies, innovations in weaponry, IED’s, online networks, crime and eco-terrorism, they will target centralized energy grids, which, when they fail, fail catastrophically. Many will find that maintaining energy as a commons—sanctioned from the top down, monitored from the bottom up and distributed in a network fashion—will render systems more resilient to these shocks. The strength of these networks as opposed to hierarchies may inspire other restructuring of crucial economic, social, environmental and business resources.

### Immersive media helps reframe of energy strategies

Understanding the long-term impacts and day-to-day realities of energy choices will play a key role in developing successful strategies. Immersive experiences can provide consumers and business decision-makers with concrete experiences in living the future consequences of present day energy decisions.

### Alternative energy up, demand down

Renewable, non-fossil fuel energy sources are beginning to see a renaissance, and are likely to become a much greater part of the global energy footprint in the near future. Familiar power technologies like wind and solar will see increased cost benefits from material and manufacturing technology advances, such as lightweight composites and organic-polymer electronics. Less-well-known alternative technologies, such as hydrokinetic energy and solar-thermal energy, will also attract increasing attention from investors and governments looking for wild-card breakthroughs. Meanwhile, ongoing innovation in energy efficiency has radical benefits over time. With small annual boosts in efficiency, by 2100 ten billion can live as well as the top billion today, while using less power.



## Map of Future Forces Affecting Sustainability

Welcome to the 2007-2017 Map of Future Forces Affecting Sustainability prepared for the Senior Advisory Council (SAC) of the Global Environmental Management Initiative (GEMI) by the Institute for the Future (IFF).

This custom map of the future is based on the latest *Ten-Year Forecast* by IFTF, an independent nonprofit think tank in Silicon Valley. IFTF has a 39-year track record of successful forecasting and is one of the few research organizations ever to outlive its own forecasts. Twenty years ago, the term “sustainability” was virtually unknown in business circles; “environmentalism” was synonymous with government regulations and pollution; and, “health” was another term for occupational safety. Today, all three of these concepts have evolved broader and more complex definitions and they have moved from the margins to the center of business activity.

Making sense of “sustainability”, as various stakeholders define it, and incorporating it as a source of long-term business value is a critical challenge for the next generation of business and specifically for business leaders in environment, health and safety (EHS). However, it is not always clear as to how companies can go about integrating sustainability into their strategic thinking. Will today’s cutting-edge environmental measures be seen as greenwashing in five years? How do you account for sustainability projects that have no immediate payoff, but will yield significant benefits decades from now? Do sustainable companies tend to be more successful, or does sustainability change the very notion of success?

This map is a strategic tool that will help organizations navigate the complexity of sustainability. Our goal is to elevate the strategic conversation around EHS issues and develop more organizational adaptability to respond to emerging challenges.

