

Australia 2025: Three Global Scenarios A Framework for Analysing Australia's Possible Future Workplaces and Workforce Development Requirements

Peter Saul
Futurist
Australia

Abstract

The original report on which this article is based was prepared for Skills Australia as part of a project to develop a national workforce development strategy that will ensure that Australia has the knowledge and skills (and the workplaces in which to fully utilise them) that will ensure the country's future economic competitiveness and social welfare in the future.

Using as a starting point three global scenarios for 2025 developed in 2005 by Shell International, the possible future shape of Australian workplaces and the nation's potential knowledge and skills requirements are drawn out.

Background to the Scenarios and Their Purpose

Skills Australia is an agency that has been established by the Australian Government to provide expert and independent advice to the Minister for Education, Employment and Workplace Relations on matters relating to Australia's current, emerging and future workforce skills and workforce development needs. The agency has recently been working with stakeholders to prepare a National Workforce Development Strategy. As an aid to long term strategy formulation, Skills Australia has chosen to use the *Global Scenarios to 2025* developed by the Royal Dutch/Shell Group in 2005 as the basis for examining Australia's possible place in the world of 2025.

Shell operates in over 100 countries and has created scenarios that give practical guidance to leaders and managers in many different situations who must plan for the complexities and challenges that are likely to be encountered as we all move into the future. The following global scenar-

ios and some of the discussion of how to use them most effectively are based on the published work of Shell International in 2005: a summary is available online via the "Past Scenarios" link at www.shell.com/scenarios.

The scenarios are intended to be used to consider the possible future nature of Australian industries, organisations and the workplaces within them, on the one hand, and the possible future demand and supply of the skills that Australia will need in order to be judged "successful" by all key stakeholders, on the other.

The key driving forces that were used by Shell to create the global future scenarios are:

1. Market incentives
2. Aspirations to equity and social cohesion
3. Coercion and regulation by the state

Each of these forces is directed towards objectives that are valued to different degrees by all societies:

1. Efficiency
2. Fairness or social justice
3. Security

The three scenarios are defined by considering future worlds where two of the above drivers are dominant and the third merely adapts to the context created by the two dominant forces:

1. **Low Trust Globalization** – a world of global markets and coercive states.
2. **Open Doors** – a world of global markets and cohesive civil societies.
3. **Flags** – a world of dogmatic, zero-sum assertion of social values and coercive attempts by states to rally divided societies around the flag.

Using the Scenarios

The scenarios in this report are not presented as predictions of the future to be evaluated in terms of their "rightness" or "wrongness". A scenario is a story that describes a plausible, possible future. It identifies relevant significant events, the main actors and their motivations, and it conveys how the world might function in the future. Building and using scenarios can help people explore what the future might look like and the likely challenges of living and working in it.

It may be that certain strategic actions are worth taking whatever scenario unfolds. The decision to move on other strategic options, however, will be contingent on how they play out in the different scenarios, and that, of course, depends on which way the external environment actually develops. This is, obviously, a long-term process, consisting in monitoring the external world for indications that events are moving in a particular direction. Decision makers can use the scenarios almost like a map to structure their discussions and guide their thinking about the future. Scenarios allow them to keep different possibilities in mind without being overtaken by the overwhelming nature of uncertainty.

Scenarios are intended to form a basis for ongoing strategic conversation – they are a method for considering potential implications of and possible responses to different events. They provide their users with a common language and concepts for think-

ing and talking about current events, and a shared basis for exploring future uncertainties and making more successful decisions. Scenarios are most useful if they are used systematically over a period of time – to craft the ongoing strategy of an organisation, to challenge assumptions, and test plans and strategies -rather than just once in response to a particular situation.

Short-term Gateway to the Future: The Global Financial Crisis

Over the next few years, a number of critical global challenges will have significant influences on the particular path the world takes into the future of 2025. Key among these will be the currently unfolding global financial/economic crisis. Other possible "gateway" challenges over the next 5 years that could influence the path that the world takes into the future of 2025 include climate change, a killer pandemic, piracy and terrorism, or the emergence of a rogue nuclear state. Several possible pathways to Shell's three global scenarios for 2025 are shown in Figure 1 below.

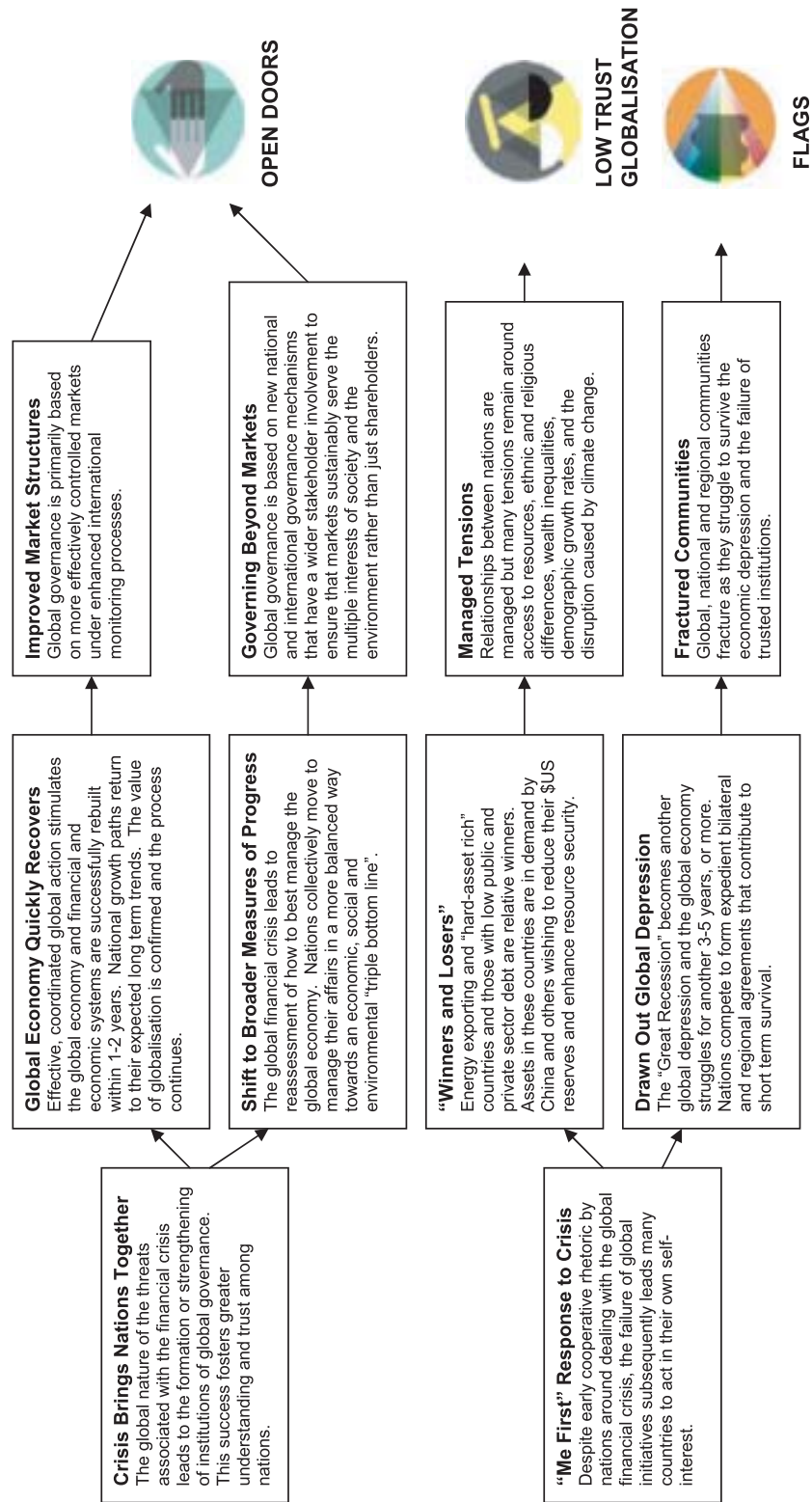


Figure 1. Short-term gateway to the future: The global financial crisis

SCENARIO 1: Low Trust Globalisation

- The global efforts to deal cooperatively with the GFC end up being more rhetoric than reality (as in 1930).
- Voters around the world push governments to protect jobs and part of the strategy for doing this is to discourage migration and foreign investment. Large corporations push governments to protect their interests – even at the longer-term cost of the environment or the wider community (e.g. bail-outs to manufacturing and construction industries; and continuing subsidies to agricultural regions made uneconomic by climate change).
- Markets deliver very positive outcomes for some but there is a growing divide between the haves and the have nots.
- Governments, business and community groups attempt to manage the tensions and market failures at the global, national and local levels – by building increasingly complex sets of rules, regulations, monitoring and compliance machinery.
- The States have given up trying to harmonise legislation and now typically compete for scarce employment and investment by trying to build attractive regulatory environments.
- This is a world of police, defence forces, lawyers, lobby groups, CCTV cameras, security forces, and "watchdog" organisations (some of the latter being government funded but many funded by community groups and other interest groups).
- Governments have largely given up trying to proactively prevent systemic problems arising because they know that cooperation from others will only be token. So, issues are dealt with reactively as they arise – and people mostly then strive to look after their own interests.
- There is growing distrust of governments that leads to resistance to raising taxes to pay for social benefits such as public health and education. The private sector takes a larger role in these areas as a result.
- Governments and venture capitalists collaborate with universities and businesses on R&D and innovation (in attempts to create disruptive technology that can bring new sources of employment and new revenue/profit streams) but success is slowed by the prevailing lack of trust and aggressive protection of IP.
- A home bias exists with regard to private investment – a reaction to jurisdictional discontinuities that heighten regulatory risks. Trade sanctions are prevalent and are imposed on any country that is perceived to be a security risk.
- Pressure on companies comes not only from government and other market participants but also from an ever more demanding set of community and social groupings operating under the banner of "corporate social responsibility". However, in this scenario, these groups take second place to the market and the state.
- The labour market is efficient if not always fair. Wage negotiations are driven by commercial and political factors (e.g. productivity gains; government policy rules; etc). There is little loyalty given or expected.
- Performance measures in the workplace reflect short term, shareholder value-addition and low-producing workers are quickly marginalised or moved out. It's a Darwinian economy.

- Growth is lower and costs are higher than they would be in a more trusting future world.

In Australia, Stakeholder Feedback Suggests that the Main Changes in the Low Trust Globalisation Scenario will Occur around the Following Themes

The three scenarios were presented to stakeholder groups in Sydney and Melbourne comprising representatives mostly from academia, education and government, with a few from the private sector. These groups identified the following issues as the main challenges that Australia would face under the Low Trust Globalisation scenario:

Migration

We will see: migration become pragmatic and temporary to address skill shortages.

Social Equity and Inclusion

We will see: increasing polarisation of the workforce and wider population with increasing gaps between the winners and losers in terms of wealth, education, health and social inclusion; increasing poverty and social disadvantage.

Knowledge and Skills

We will see: increased, systemic skill shortages and underutilisation of existing resources; privatisation of education and training markets with fee based systems; alignment of public training with short-term industry needs; company-targeted training that is often not transferable or recognised across state boundaries; the need for a stronger welfare focus in public education and training.

Technology, Information and Innovation

We will see: increased use of technology to replace labour; lower rates of technology transfer; innovation from smaller companies that are then swallowed up by larger companies and multinationals; deeper engagement in innovation in areas of competitive advantage but not more broadly; more technological solutions in service industries.

Global and Local Economy

We will see: competition become the dominant force, leading to greater conflict, "industrial warfare", more silos and increased security concerns; economic focus on areas of natural advantage (e.g. resources in Australia); growth in multinationals; growth in industries that don't add value to the community; a different industrial structure defined by fewer but bigger winners; increased use of contractors; active search for low regulatory havens and cheap labour; more trade barriers reducing Australia's capacity to "gain from the globe" and compete globally; a stronger focus on bilateral trade (e.g. with China).

Role of Government

We will see: increased size and centralisation of government; greater expectations that government should have a bigger role in regulating economic activity; high levels of competition for public investment; "benevolent dictator" strategies of picking winners; less money available to government for public services (leading government to be harder nosed about where money goes); government agendas dominated by foreign policy with greater use of non-tariff barriers and foreign aid to influence foreign governments; increased spending on defence and security; less engagement with the international community. In this world, the role of government is primarily that of "umpire".

Environment and Climate Change

We will see: environmental pressures continue but be in tension with the dominant drive to gain competitive advantage; Australia continues to export coal; fragmented policy leads to extreme weather events and urban relocation.

Leadership

We will see: leadership becoming focussed on market imperatives; less transparency; less corporate social responsibility; less participatory forms of governance.

Other key future drivers that were touched on in the stakeholder discussions of this scenario but which may warrant further examination include:

- ***Demographics*** – how will the ageing Australian workforce be managed in this scenario; what role will Australia play in helping to find gainful employment for the many younger workers in developing countries that do not have sufficient local job opportunities?
- ***Technology*** – what form is new technology likely to take; how will it be disseminated and to what extent will it be taken up by individuals and employers; what ethical issues will it give rise to; how much will it cost and who will not be able to afford it; what impact will technology have on Australian society and particularly on how we learn and work?
- ***Extremists*** – what groups in society are likely to actively oppose the dominant paradigm; what forms will their opposition take; how will these groups be dealt with by government and society?
- ***Systemic shocks*** – how might major earthquakes, tsunamis, volcanic eruptions, ice shelf break-ups, nuclear accidents, or virulent pandemics affect the future of Australian society in each scenario?
- ***Inherent catalysts*** – is this scenario (and the other scenarios) likely to be a stable state or might it contain within it catalysts that will sooner or later transform it into something else?

SCENARIO 2: Open Doors

- The GFC and climate change bring nations together in new governance forums in order to deal with problems that cannot be addressed by nations working independently. It becomes clear that pursuing self-interest in a globalised world only invites retaliation and continuing (expensive) conflict. Initially, peace is simply seen to be cheaper. However, trust gradually grows from there.
- The success of cooperative efforts at the international level reinforces and is reinforced by new governance mechanisms that are emerging at the corporate and community levels. Sustainability, triple bottom line, closing opportunity gaps, and social networking technology are ideas and forces that increasingly drive towards more participative governance mechanisms. They also reduce social inequality.
- We see many more reviews, consultative conferences, and community cabinet meetings in the search for "win-win" policies, solutions and decisions. This slows down decision making but speeds up implementation.
- Regulatory negotiation is common as NGOs, industry groups and regulators work together to set standards and lower barriers to the movement of people and ideas.
- Individuals become more actively involved in activities beyond their work. Work-life balance comes to mean more than work-leisure balance. People become engaged as active citizens, neighbours, and members of professional, developmental and social groups. This trend when combined with government's preference for participative governance mechanisms leads to state authority diffusing downward to a host of local institutions, NGOs and community groups. It really is "government by the people, for the people".
- Conflicts are increasingly resolved by referring to higher level shared values, respect for differences and a focus on building a sustainable "good society". Not doing things this way becomes as anti-social as smoking and binge drinking once were.
- Corporate reporting to the market goes beyond financial reporting to include significant voluntary disclosure on all important stakeholder interests. Reputations are tracked, checked and challenged – and this can lead companies to be more risk-averse.
- "Built-in" rather than "bolt-on" technology plays a key role in ensuring high levels of security and trust. Smart bar codes, global tracking, databases and many other techniques are called on to minimise interferences and delays. Standardisation of legal codes and mutual recognition arrangements ensure that operations that occur across different jurisdictions are no more costly than those which occur within a single jurisdiction. Qualification standards are harmonised across all States.
- Labour has become remarkably mobile. Sharing of name-files among customs and police forces of different countries and the use of biometrics reduces the need for visas. All this adds to the opening up of global boundaries and enhances labour market efficiency. Migration rates are high and help Australia to fill knowledge and skill gaps.
- A general climate of trust fosters entrepreneurial risk taking and money is readily available to fund new ventures. The open, trusting culture of Open Doors leads companies to display greater confidence in entering joint ventures and in working

as members of consortia. R&D and innovation blossoms as "knowledge economy" clusters of synergistic organisations, universities and government agencies form, develop, transform themselves or die, as appropriate.

- Businesses and learning institutions in Open Doors typically recognise that most learning happens in communities of practice that create, disseminate, and preserve knowledge and practice (explicit and implicit knowledge) and ICT is widely used to extend the temporal, geographical and membership boundaries of knowledge communities.
- Growth and social wellbeing are both higher in this vibrant, knowledge-economy world.

In Australia, Stakeholder Feedback Suggests that the Main Changes in the Open Doors Scenario will Occur around the Following Themes

The three scenarios were presented to stakeholder groups in Sydney and Melbourne comprising representatives mostly from academia, education and government, with a few from the private sector. These groups identified the following issues as the main challenges that Australia would face under the Open Doors scenario:

Migration

We will see: increased immigration (permanent and temporary) leading to a more diverse, multicultural society and changes in what it means to be Australian; increased shifts from urban to regional areas; more individuals seeing themselves as global citizens; more movement of people but not necessarily an increase in net migration.

Social Equity and Inclusion

We will see: the notion of participation extending beyond the workplace to accommodate wider individual involvement in society; social cohesion improve but with the potential to have highly marginalised people if Open Doors implies a "one party" state; reduced inequality and increased social cohesion and trust within and between countries; greater workforce expectations to share in the benefits of higher productivity and innovation and to have their living standards raised; growth in high value-add industries requiring participation from currently under-utilised groups; significant changes in the nature of the workforce driven by the need to encourage greater participation by women and marginalised groups.

Knowledge and Skills

We will see: education, training and learning supporting broader participation in society and the economy; a drive to radically improve basic numeracy and literacy skills among currently marginalised groups; people will need the capacity to deal with increased levels of change; greater harmonisation of skills and qualifications frameworks to support workforce mobility and adaptability.

Technology, Information and Innovation

We will see: greater access to and diffusion of technology; technological change

driven by the need to act on climate change; greater sharing of knowledge and information - more open access; systemic innovation at all levels in all organisations.

Global and Local Economy

We will see: markets dominated by global companies if smaller companies find there are barriers to them taking their innovations to global markets; increased trust and reduction of jurisdictional barriers stimulate "collaborative competition" that leads to more capturing of global opportunities; Australia focusing on high value-add industries (including services); GDP questioned as a measure of our success as global citizens and the development of different measures of success that reflect economic, social and environmental aspirations.

Role of Government

We will see: a lesser directive and controlling role for government but a more enhanced government role as a facilitator; growth in federal and community powers and the abolition of the states; a political consensus that fundamental change is needed (e.g. harmonisation of legislation across states and reduced role for states); government being expected to ensure that equity considerations are not ignored when sustainability trade-offs are being negotiated. In this world, the role of government is primarily that of "facilitator".

Environment and Climate Change

We will see: a changed approach to infrastructure and the environment to permit more demand-driven requirements; a carbon constrained economy that addresses climate change and identifies and overcomes barriers to change; the need for concerted global action creates rapid shifts in community expectations that lead to new industry technology and workforce shifts.

Leadership

We will see: changes in governance arrangements tailored to suit global/national and local/community enterprises; more individuals empowered to initiate change; leadership at all levels demonstrates high levels of social, economic and environmental sustainability; decisions will be slower but more sustainable; more decisions being made locally but within a global perspective; changed management policies and practices reflecting a different set of values and ethics; standardised reporting on non-financial performance will be available to stakeholders.

Other key future drivers that were touched on in the stakeholder discussions of this scenario but which may warrant further examination include:

- ***Demographics*** – how will the ageing Australian workforce be managed in this scenario; how will Australia adapt to much higher levels of immigration and international competition for talent?
- ***Technology*** – what form is new technology likely to take; how will it be disseminated and to what extent will it be taken up by individuals and employers; what ethical

issues will it give rise to; how much will it cost and who will not be able to afford it; what impact will technology have on Australian society and particularly on how we learn and work?

- **Extremists** – what groups in society are likely to actively oppose the dominant paradigm; what forms will their opposition take; how will these groups be dealt with by government and society?
- **Systemic shocks** – how might major earthquakes, tsunamis, volcanic eruptions, ice shelf break-ups, nuclear accidents, or virulent pandemics affect the future of Australian society in each scenario?
- **Inherent catalysts** – is this scenario (and the other scenarios) likely to be a stable state or might it contain within it catalysts that will sooner or later transform it into something else?

SCENARIO 3: Flags

- The global efforts to deal cooperatively with the GFC end up being more rhetoric than reality (as in 1930). The GFC morphs into a protracted global depression.
- Weakened international institutions, including increasingly under-funded bodies like the UN and WTO, provide little discipline to control the tendency of nationalistic governments to lean towards "beggar thy neighbour" policies. Across many realms where reciprocal action among nations is the key to success (as in the management of the GFC and climate change; and food, water and energy security) worldwide policy efforts flounder.
- In the absence of strong multinational agencies of global governance, bilateral and regional alliances and agreements are entered into by governments and national bodies in areas of mutual national interest.
- Increasingly desperate voters around the world push their governments to protect jobs at all costs and part of the strategy for doing this is to discourage migration and foreign investment and to impose trade barriers and "buy local" incentives.
- Standards that are relatively inflexible and widely divergent across jurisdictions translate into high compliance costs and are also significant non-tariff barriers to trade. Global mobility of people and money is seriously hampered.
- Large corporations and other entrenched power groups push governments to protect their interests – even at significant cost to the environment or to the wider community (e.g. bail-outs to manufacturing and construction industries; continuing subsidies to agricultural regions made uneconomic by climate change; and the indefinite postponement of the CPRS). Businesses with strong national identities (e.g. Qantas, BHP and the Big Four banks) fare well and are granted state protection through subsidies and the tax system.
- Markets become increasingly distorted as politicians (and executives) try to favour their allies and constituencies. There is a growing divide between the winners and the losers. In reaction, populist protest often turns violent with strikes and demonstrations as disaffected groups assert their agendas. Blaming foreigners, minorities or elite groups (e.g. for taking jobs and other local opportunities) is increasingly politically appealing.

- Security is pursued through isolation, gated communities and high defence spending. There is widespread distrust of outsiders or those holding different views and practising different customs.
- Media scrutiny focuses on political compromises, scandals, and connections that distort markets rather than on standards of social responsibility as is the case in Open Doors. NGOs aggressively attack companies for perceived lack of transparency in their dealings with national governments and local elites – but little corrective action is taken.
- With trust fragmented, as it is in Flags, investors are naturally sceptical about global markets and need to be enticed by high premiums to overcome their preference for domestic investment. Consequently, R&D and innovation are inhibited.
- Reacting to the failure of markets to meet social needs, governments are proactive in regulating the market and in providing public goods and services; and setting standards in a wide range of areas of market activity. Governments run higher deficits and have higher borrowings as their expenditure rises to meet security and social demands.
- ICT-based or cyber-infrastructure is used in leading higher educational institutions but access to it is nowhere near as inclusive as it is in Open Doors. Indeed, many learning institutions regard access to their knowledge communities as an important part of their proprietary service offering and only approved students, researchers or business partners are invited to be part of knowledge creation and enhancement activities.
- Trade barriers, complex and diverse national regulation, reduced mobility of labour, inhibited sharing of knowledge and innovation all contribute to low GDP growth.

In Australia, Stakeholder Feedback Suggests that the Main Changes in the Flags Scenario will Occur around the Following Themes

The three scenarios were presented to stakeholder groups in Sydney and Melbourne comprising representatives mostly from academia, education and government, with a few from the private sector. These groups identified the following issues as the main challenges that Australia would face under the Flags scenario:

Migration

We will see: the arrival of more climate change refugees; declining access to international talent; systemic cultural change as reduced skilled immigration affects the diversity of our workforce.

Social Equity and Inclusion

We will see: increasing gaps and tensions between diverse groups as a result of corruption, nepotism, and a lack of transparency; the emergence of social and industrial ghettos; increasing levels of dissent from disadvantaged groups; foreign and domestic conflict over food and resources; an increase in xenophobia; some marginalised groups become active in promoting self-help; reduced equity of opportunity for women and marginalised groups.

Knowledge and Skills

We will see: indoctrination rather than education; a decline in international education and access to skills.

Technology, Information and Innovation

We will see: inefficiency and stagnation resulting from a lack of innovation and lower productivity.

Global and Local Economy

We will see: industry structural change (e.g. industry diversification) as a result of protectionism and a desire for self-reliance; e.g. resurgence of manufacturing; development of a self-sufficiency mentality in relation to food, energy and defence; protected industries foster more industrial dinosaurs; a rise in criminal/illicit activity and the emergence of grey/black economies; an over-reached economy pushes costs onto future generations; increased tariffs, reduced global and inter-jurisdictional trade and less wealth; growth in family businesses which provide a safe alternative to a world that is seen as increasingly dangerous; more social and industrial unrest; multiple job holding and increasing casualisation of the workforce; "buy Australia" campaigns.

Role of Government

We will see: government torn between the political need to protect powerful elites and the social need to manage the disaffection of those who "do not count"; the rise of nationalism and the politics of blame and exclusion; increased focus and expenditure on defence and security (including an increased regional role); foreign policy focused on bilateral or regional issues rather than global issues; government decisions driven by sectoral interest leading to winners that align themselves with the "national interest"; low transparency and inefficient regulation; tensions within the Australian federation; more demands on government to compensate for lower levels of private wealth by providing increased funding for the provision of services; selective industry policies designed to grow exports to fund increased debt levels. In this world, the role of government should primarily be that of "safety net" but is more likely to be that of "the elite's friend".

Environment and Climate Change

We will see: the responses to this continuing issue being fragmented and localised; a lack of global solutions; food security issues in parts of the world; more climate change refugees; less pressure on resources as mass consumption declines.

Leadership

We will see: the rise of a privileged elite with a strong social consensus among those who "count"; leaders demonstrating more conservative values and a greater local focus (because the world is seen as dangerous).

Other key future drivers that were touched on in the stakeholder discussions of this scenario but which may warrant further examination include:

- **Demographics** – how will the ageing Australian workforce be managed in this scenario; will they be valued for their wisdom and historical perspective or will they be marginalised in a world where many young people may feel that they have been denied the prosperity enjoyed by older generations?
- **Technology** – what form is new technology likely to take; how will it be disseminated and to what extent will it be taken up by individuals and employers; what ethical issues will it give rise to; how much will it cost and who will not be able to afford it; what impact will technology have on Australian society and particularly on how we learn and work?
- **Extremists** – what groups in society are likely to actively oppose the dominant paradigm; what forms will their opposition take; how will these groups be dealt with by government and society?
- **Systemic shocks** – how might major earthquakes, tsunamis, volcanic eruptions, ice shelf break-ups, nuclear accidents, or virulent pandemics affect the future of Australian society in each scenario?
- **Inherent catalysts** – is this scenario (and the other scenarios) likely to be a stable state or might it contain within it catalysts that will sooner or later transform it into something else?

The main features of each of the three scenarios are summarised in Table 1 below.

Table 1.
Summary of the main points of difference between the three global scenarios

Feature	Low Trust Globalisation	Open Doors	Flags
“Success”	Winning, gaining power and material wealth	Responsible local and global citizen, with compassionate, inclusive values	Good neighbour, good employee, good group member – i.e. with “our” values
The economy	Intermediate GDP growth. Higher inflation and real interest rates.	Higher productivity and GDP growth.	Curtailed trade and lower GDP growth. Higher inflation, interest rates, govt. debt.
Energy	Development of alternative energy sources is encouraged for national security reasons.	Natural gas use grows. Price signals used to promote use of renewables.	Energy security concerns promote increased energy efficiency and use of renewables.
Industry and markets	Heavy compliance costs. Large, vertically integrated firms dominate. R&D is important but low trust limits sharing. Home bias in investment.	Shareholders and stakeholders cooperate. Comprehensive corporate reporting to markets and stakeholders. Companies (especially SMEs) innovate, partner, share information. Harmonisation of workplace legislation.	Globalisation falters. Reduced competitive pressures. States act to provide public goods as markets fail to do so. Rate of workforce growth slows appreciably. Inefficient labour market.
Occupations and jobs	Defence, security, monitoring and compliance (e.g. law, accounting), wealth management are growth areas.	Growth in most knowledge-economy jobs. Workers are very mobile. Team and networking skills are in greater demand.	Localised over and under supply of skills is common. Lower aggregate demand for most skills but public employment grows.
Technology	Venture capitalists fund disruptive technologies that might challenge large players.	Built-in technology ensures high levels of security and trust. Standardisation facilitates use. Entrepreneurial risk-taking.	High military spending promotes innovation. Private investors demand high risk premiums. Technology, IP is hoarded.
Workplace and management	Planning is short-term, reactive. Work is stressful, demanding and competitive. IR is largely decentralised.	Consensus and mutual accountability are valued. Work competes with other loyalties in people’s lives. People seek fulfilment as well as employability. Participative management.	Nepotism and patronage are commonplace despite scrutiny by media and community groups. Many government rules and regulations.

Summary of the main points of difference between the three global scenarios (continued)

<i>Migration</i>	Restricted and tightly controlled. Limited migration to fill nationally important skill gaps.	Open borders and acceptance of differences foster migration.	Seriously restricted within and between nations.
<i>Community</i>	Inequalities increase between and within countries. Community and NGO groups are active but frequently unable to influence events.	People actively participate in multiple groups. More equitable society. Social groups and media have powerful voices.	Strong identification with local community. Distrust of outsiders.
<i>Government</i>	National security is primary focus. Overlapping jurisdictions; conflicting laws; intrusive checks and controls. Competition between governments. International politics is driven by self-interest. Trade sanctions are prevalent.	Politics is inclusive but more complex. Security and trust are jointly created by government, companies, investors, community. Governments cooperate for shared and longer term benefits.	Opposed groups vie for influence leading to populist politics and patronage. Nations impose self-serving rules, regulations and trade barriers limiting transnational activities. Fractured global governance.
<i>The environment</i>	Pollution and climate change issues are dealt with as crises emerge.	Global challenges dealt with cooperatively and proactively. Precautionary principle.	Strong community calls for action. Govts. reluctant to challenge local power bases.
<i>Learning and skills development</i>	Supply of education is increasingly left to private sector with labour markets determining curriculum. People seek to learn skills with high market value. Short term and niche focus.	Innovations quickly disseminated. Skill development well funded by all stakeholders. Harmonisation of qualifications and assessment processes nationally and globally.	Government regulation and funding biased towards local, loyal, providers and employers, and electorates.

The Three Future Scenarios and Current Workforce Development Planning by Australian States in 2008

Most states' workforce development aspirations and plans appear to be based on assumptions about the future that attempt to incorporate the best (or politically optimum) features of each of the three future scenarios.

For example, some of the workforce development goals the states set in 2008 include:

Elements associated with Low Trust Globalisation – enhance international economic competitiveness by, for example:

- linking skills development more closely to industry needs
- facilitating transitions between employment and learning pathways
- enhancing provisions for recognition of prior learning
- encouraging lifelong investment in training by employers and students

Elements associated with Open Doors – promote higher levels of social inclusion and social welfare by, for example:

- higher workforce participation from disadvantaged and geographically remote group
- better population and labour force information to enable more targeted investment in education and training by government, employers and the community
- strengthened partnerships involving government, employers and training providers
- reducing the administrative burden of training to industry
- developing the skills needed by emerging 21st century businesses

Elements associated with Flags – ensuring continuing employment growth and adequate supply of highly skilled workers by, for example:

- attracting students and workers from other states
- gaining a bigger share of skilled immigration into Australia
- collaborating with (local) industry to develop competency-based skill sets as an alternative to full (nationally recognised) qualifications
- guaranteeing state residents government subsidised places in education and training institutions

Conclusion

The use of scenarios has enabled Skills Australia to stimulate the various stakeholders involved in workplace and skills development in Australia to consider a range of strategic options for managing their contribution to national international competitiveness and social health in the longer term future. It is to be hoped that the ongoing discussions around the scenarios will help to ensure that Australia's workforce development strategies are robust enough and flexible enough to underwrite the country's success regardless of which future we actually encounter in 2025.

Correspondence

Peter Saul
Futurist
Sydney, Australia
Web: www.petersaul.com.au
E-mail: peter@petersaul.com.au

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