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used extensively, and policy's ability to drive growth is reaching its limits. Interest rates have been stuck at historically low levels in the US and UK, and at negative interest rates in Europe and Japan. Many countries are heavily indebted. In 2020, the debt-to-GDP ratio in the US and the UK was over 100 per cent.

These rising rates of national debt are likely to constrain public spending and governments' ability to deliver public goods such as education, healthcare, infrastructure and national security, further reducing the possibility for meaningful economic growth.

Even before the pandemic, factors were already impeding economic growth. In 2022, these will continue: the proliferation of automation and technological advancements, which may lead to mass unemployment; demographic shifts, including rapid population growth; climate change; and worsening inequality.

The arrival of the global pandemic has intensified many of these concerns, complicating governments' abilities to drive economic growth in an equitable and sustainable way. Unequal vaccination rates across the



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ECONOMIC REFORM

WE WILL FACE LOW ECONOMIC GROWTH

Tougher times are ahead for all, if we don't help the developing world recover

By Dambisa Moyo

Covid-19 has demonstrated that we need to confront deep flaws in the global economic system. But, without strong economic growth, the world will struggle to emerge from the pandemic, let alone reform the global economy in ways that are better for all. In 2022, global economic growth will stall, with expansion in many developed and developing economies falling short of the key

threshold of three per cent that is needed to double per capita income in a generation.

Next year, rebooting global economic growth will also be difficult, as large regions of the world remain unvaccinated and global trade and investment remain disrupted.

To further complicate matters, the tools that governments have traditionally used to jump-start recovery have already been

world – largely between the developed and developing world – further entrench inequality and delay economic recovery. In Africa, which is home to almost 20 per cent of the world's population, vaccination rates are hovering around one per cent. It is likely that people in many parts of the emerging world will remain largely unvaccinated throughout 2022, heightening their exposure to new and more infectious variants.

Given the integrated nature of the world economy, the fact that, next year, emerging economies will still not experience the economic rebound already seen in many developed regions in 2021 means that global growth will remain low and slow. Many developed economies have enjoyed a reboot built on the back of mass vaccination and government stimulus packages. However, this recovery will not be sustainable without emerging economies recovering, too. Developed countries cannot maintain their economic standing if they can't sell goods and services abroad.

Next year, we will see even more clearly how intertwined the fate of the global economy is, and realise that any hope of a global economic recovery cannot be achieved as long as developed and developing countries remain on two different tracks.