

Paradigm shift imminent for PR

By [Vivian Warby](#)

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WORLD PR FESTIVAL: The economic shape of the world as we know it will change dramatically in the next 20 years, both in scale and in character. Much of the new business behaviour that will come to be common practise in the next 50 years, said Michael Power, strategist at Investec, would be Asian in origin, and, as this story unfolds, it will involve the PR industry in enormous challenges.

Power was speaking at the fourth annual World Public Relations Festival – Communication for Sustainability - in Cape Town yesterday, Tuesday, 15 May 2007.

He warned that if the industry did not try and understand Asia and more importantly involve Asians in this process, “you will be lost”.

Power was part of a global panel on the subject “East meets West” at the two-day conference hosted by the Public Relations Institute of South Africa (PRISA) and the Global Alliance.

A world different to now

He painted a future picture that is very different from how the world operates now.

Last week, he reported, Goldman Sachs brought forward by eight years to 2027 the year when it expects China's GDP to surpass that of the US. In the same update, Goldman now forecasts that the collective GDPs of the BRIC nations – Brazil, Russia, India and China – will overtake the collective GDPs of the G7 nations in 2032.

“One has to remember that the last time the baton of primacy changed – from the UK to the US around 1914 – it was a transfer of power between Anglo-Saxons... Never before in the integrated world that we have come to live in, in the past 150 years, has the baton been held by a non-English speaking nation that has not grown out of the Judeo-Christian tradition of Europe....

“Given that almost our entire frame of reference in the way we do business is based on this tradition, it is hard to imagine or estimate quite what such a paradigm shift may be.

“..Some of the language of communication – not just the medium of English but what we may call the software of modern business practise – will be grafted onto the way a more Asia-centric world will be.”

Macro environment changes

Power said we can expect a number of changes in the macro environment over the next 30 years. These included:

- National tax regimes in the West to be caught between the need to cut taxes to keep/attract business and raise rates to pay for the costs of an aging population. The East will not face these pressures till mid-century.
- The state agenda of individual nations, especially the BRIC nations, to intrude into areas where the private sector dominates (state-owned companies will come to dominate the oil and natural resources sector, for example);
- Water to become a central geo-economic consideration
- Food prices to rise sharply as Asia's standard of living rises with severe consequences for the poor worldwide;
- Democracy to evolve into something less dominated by the voter and more by the consumer;
- The absolute assumption of freedom of press to be “qualified” as we learn to incorporate the “subtlety” of much of Asia in this concept. This does not so much mean that communications will be in some way censored but rather that the social mores of Asia will expect to be reflected in the standard business and behaviour practices of the future;
- The media will become even more “democratic” only where Internet connectivity is allowed to spread
- The rich will move towards the world's leading cities – London, Dubai, Singapore;
- Exchange rate politics will take a life of their own especially between China and the West;
- This will undermine the US and especially the US dollar as its ability to get the rest of the world, especially Asia, to finance its deficits will be severely constrained;
- The structures of multinational institutions – the IMF, World Bank, even the UN – will undergo painful transformation with dramatic implications for the shape of geo-economics and geo-politics. If they don't, they will become increasingly sidelined by Asia
- The environment will move front and centre in the lives of nation states, or corporates and increasingly of individuals.

“For those of us who do not travel to Asia regularly – and especially for those who don't travel there at all – what we are about to receive will be a profound shock,” said Powers.

“This is not to say that that there is a universal Asian spice that will flavour all practices in all fields such as PR henceforth But rest assured that Asia will make its mark, and it will undoubtedly be a profound mark,” said Power.

ABOUT VIVIAN WARBY

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