

PROSEGUR RESEARCH

The world in 2022



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Spotlights 2022



This is an interactive document

THE WORLD IN 2022



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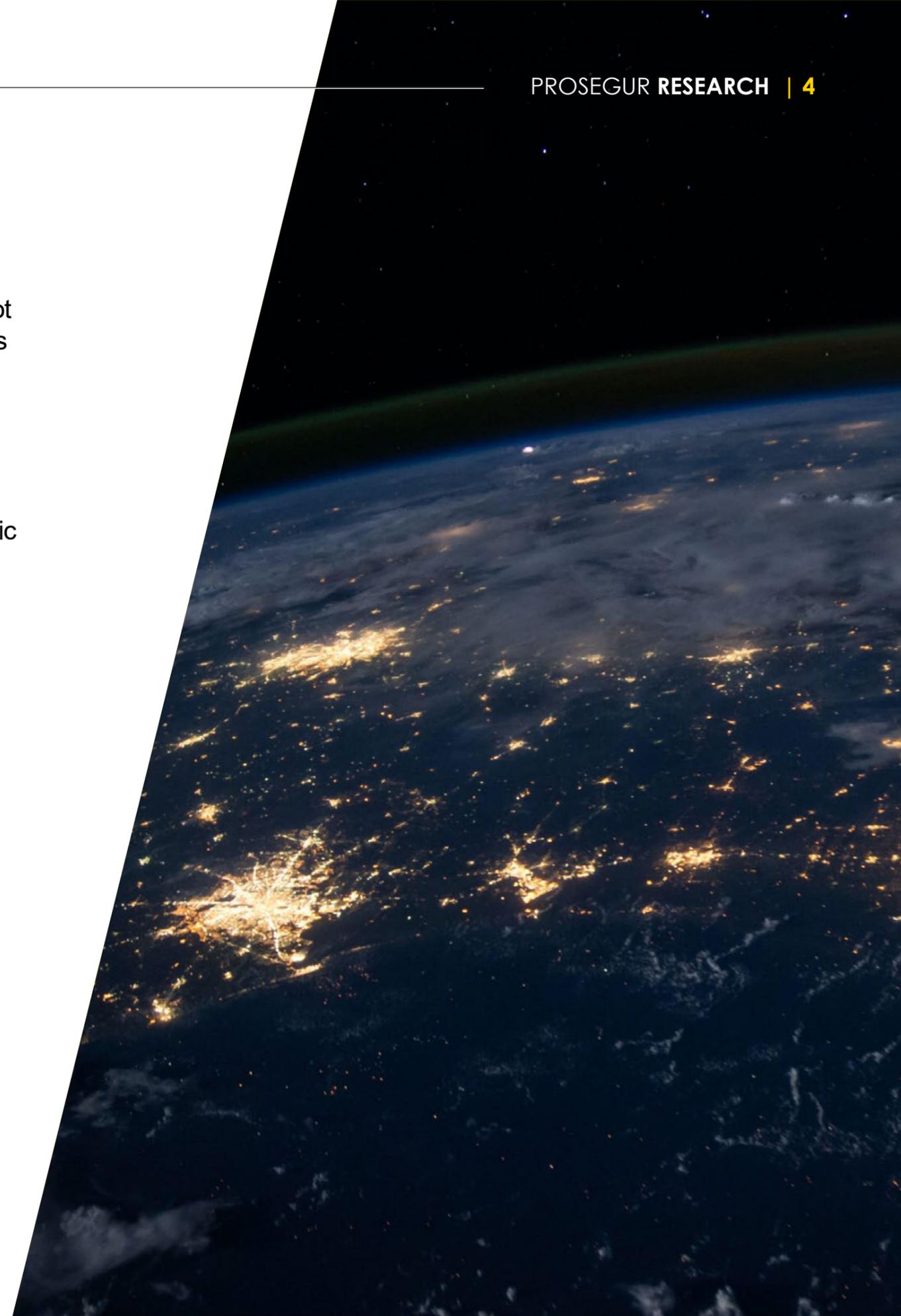
The world in 2022

Despite soaring levels of uncertainty, 2022 offers us some opportunities from the lessons learned in the recent years. Above all, we have become conscious about the eventual materialization of risks even if once they were considered improbable or its precedents had not generated such disturbances. In this regard, COVID-19 has been arduous challenge due to its complexity and ambiguity.

Additionally, our mindset has been reconfigured since we are more aware of our limits and vulnerabilities. Wicked problem's diagnoses have always been easier than the elaboration of policy proposals to resolve situations since there is no straightforward nor short-term solution and, even so, often the recommended directions are more arduous than helpful. The pandemic has in fact brought up concerns, updated debates about other forgotten risks related to the environment, technology, and health.

The future is challenging, it always has been, but not to the same degree for everyone. The recovery will not be simultaneous nor linear and, to a lesser degree exponential or foreign to turmoil. Using the 7 keys of the future identified in this study "A different World. The keys of the future" we have selected various topics that will be decisive for this year's security agenda.

There is no intention of predicting but rather highlighting certain aspects that will characterize this temporary framework lasting 365 days denominated year: the environment does not change overnight the environment does not change overnight and it depends on trends that originate from back in time and on the disruptive trait of recent drivers.



SPOTLIGHTS 2022



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Spotlights 2022

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DIFFUSED POWER

The age of disorder





Towards inclusive governance

The challenges societies face in the 21st century hinders the change for a sole leadership exclusively made up of state actors. Issues like climate change, the fight against poverty, COVID-19 or the rise of cyberattacks directed at States and private corporations require the combination of efforts of state and non-state actors which steers us towards a non-traditional and inclusive governance.

Nevertheless, confronted with this panorama marked by a diffused and diluted power where borders are blurred, criminal organizations are gaining influence. For instance, the First Capital Command (PCC) in Brazil or the Jalisco Cartel New Generation in Mexico are criminal groups whose share of power is growing and are synchronously able to maintain order and cause disorder by imposing its authority and sometimes count with popular legitimation of citizens neglected by their central governments.

Galloping autocracy

Autocracies are advancing due to the economic and social crisis derived from COVID-19 and populist and nativist tendencies. According to *The Economist*, democracy across countries receded approximately 70% in 2020, in addition, it continues to deteriorate by 45% in 2021. Setting aside the restrictions to rights and freedoms applied during the management of the pandemic, the fact is that this global phenomenon has been manifesting itself since 2014. According to IDEA, for the fifth consecutive year the number of countries inclined towards authoritarianism surpassed the number of those in processes of democratization.

Cooperation vs. competition

Geopolitics cannot and should not be contemplated in “black” or “white” terms. The globalized and interconnected world is characterized by its grey areas and hybrid conflicts. Moreover, the pandemic has brought forward the weaknesses of this globalization as reflected in the global supply chain events and the delay of shipments, scarcity of good and hike of costs.

Consequently, the geopolitics reflected in this diffused power encompass a vast spectrum that ranges from cooperation to competition. Cooperating is fundamental for certain States when confronting supranational threats. However, we are witnessing the rivalry between powers such as the American/NATO - Russian crisis in relation to the Ukrainian conflict. Besides, in 2022 the tension between China and Taiwan with United States as a third actor will be a hotspot for international politics and may become a source of conflicts for the global economy.





2022: a year of elections

A trait of 2022 is that its political agenda is packed with elections. European like France and Latin-American ones like Brazil or Colombia are some of the most awaited ones. In recent times balloting has been characterized by high levels of social tension, populist trends that have aggravated polarizations and confrontations. In a country like Brazil in which Lula Silva is predicted to be an official candidate to run against Bolsonaro mobilizations and clashes are guaranteed.

Election Calendar 2022

January

23: Senegal (local)
30: Portugal (legislative)
* Italy (indirect presidential)

February

6: Costa Rica (general)
13: Germany (presidential)
* India (regional)

March

9: South Korea (presidential)
13: Colombia (legislative)
22: Jordan (local)
26: Palestine (local)
27: Lebanon (female parliamentarians) and Hong Kong (female executives)
*East Timor (presidential)

April

3: Serbia (presidential, parliamentary and local)
10 and 24: France (presidential)
24: Slovenia (general)
*Gambia (legislative)
*Hungary (parliamentaries)

May

5: United Kingdom (regional and local)
9: Philippines (general, regional and local)
29: Colombia (presidential)
*Australia (federals)
Lesotho (general)
24 Albania (indirect presidential)

June

5: Mexico (regional and local)
12 and 19: France (legislative)
*Papua New Guinea (general)

July

25: Tunisia (referendum)
*Senegal (legislative)
*Republic of the Congo (legislative and local)
*India (presidential)

August

9: Kenya (generals)
*Nauru (general)
*Angola (general)

Septiembre

11: Sweden (general)

December

17: Tunisia (legislative)

October

1: Latvia (women parliamentarians)
2: Brazil (general and regional); 2 Bosnia Herzegovina (generals); Peru (regional and local)
8: New Zealand (local)
*Austria (presidential)
*Czechia (local)

November

8: US (federal, state, and local)
*Bahrain (general)
*Fiji (general)
*Equatorial Guinea (legislative)
*Taiwan (local)
*Slovakia (regional and local)
*Nicaragua (local)

SOCIAL POLARIZATION

Distrust and fragmentation





Pandemic fatigue

Various institutions, among which is the International Monetary Fund, have alerted of the significant increase of social unrest that, in certain occasions, may lead to disturbances. COVID-19 has magnified a series of structural causes that had been previously identified. In this regard *A Study of Key Protest Issues in the 21st Century* indicated that since the 2008 financial crisis people are protesting more, notable middle-income citizens, who traditionally had not been activists and feel that public policies do not represent them properly. The traditional drivers for protests (perception of failed democracies or political systems, corruption, economical injustice, employment price of commodities like energy and food) have been emphasized in a context of extreme pandemic fatigue



Cancel culture

Cancel culture poses a threat for democratic societies where diversity thrives, and freedom of expression is fundamental. Cancellation manipulates the social and media with the intention of isolating, impair or intimidate ideological opponents. It is in fact a form of coercion that in some cases even pushes individual to self-censor and it is most evidently prominent in social media platforms. This phenomenon is perverse because the inhibition of freedom of expression interferes with the process of finding solutions. Moreover, in a context where social polarization is prevailing this form of social pressure will continue to increment in correlation with the surge of hate speech.

Evolution of social demonstrations per region

	2006-2010	2011-2015	2016-2020
Europe and Central Asia	119	319	368
Latin America and Caribbean	92	164	171
Middle East and North Africa	53	85	70
Sub-saharan Africa	76	138	155
North America	44	111	126
South of Asia	26	37	38
East Asia and Pacific	98	144	136

Source: *Macmillan, 2021*



The (dis)information society

Reports from **CheckPoint** and disseminated by the World Economic Forum among others have highlighted disinformation as one of the main risks citizens are facing in 2022. Back in 2021 we had already been presented with huge media campaigns and the usage of fake news, some of which even orchestrated by States, for example to discredit COVID-19 vaccines or during presidential campaigns while disseminating hoaxes to favor or vilify candidates.

In this regard, an increase of use of deepfakes which are a clear example of criminal innovation is foreseeable; one of the best examples took place in January 2020 in United Arab Emirates when a group of cybercriminals managed to trick a manager from a financial company to transfer 25 million US dollars by using a voice cloned through artificial intelligence simulating an important client.

Thus disinformation methods are malleable and can be adapted according to interests and affect various facets of security such as health, finance and politics among others.



STAKEHOLDER ECONOMY

Redefining the economic model





Economic recovery slows down

In September 2021, many countries were beginning to see the light at the end of the tunnel, but the COVID-19 variant Omicron halted once again growth expectations and it was reflected on the 2022 forecasts of international organizations. However, in the midst of uncertainties one thing became apparent; recovery from the crisis would be uneven for different regions and countries. High levels of indebtedness, boosted by the pandemic, will force many countries to either implement austerity policies or to increase their sources via the tax system.

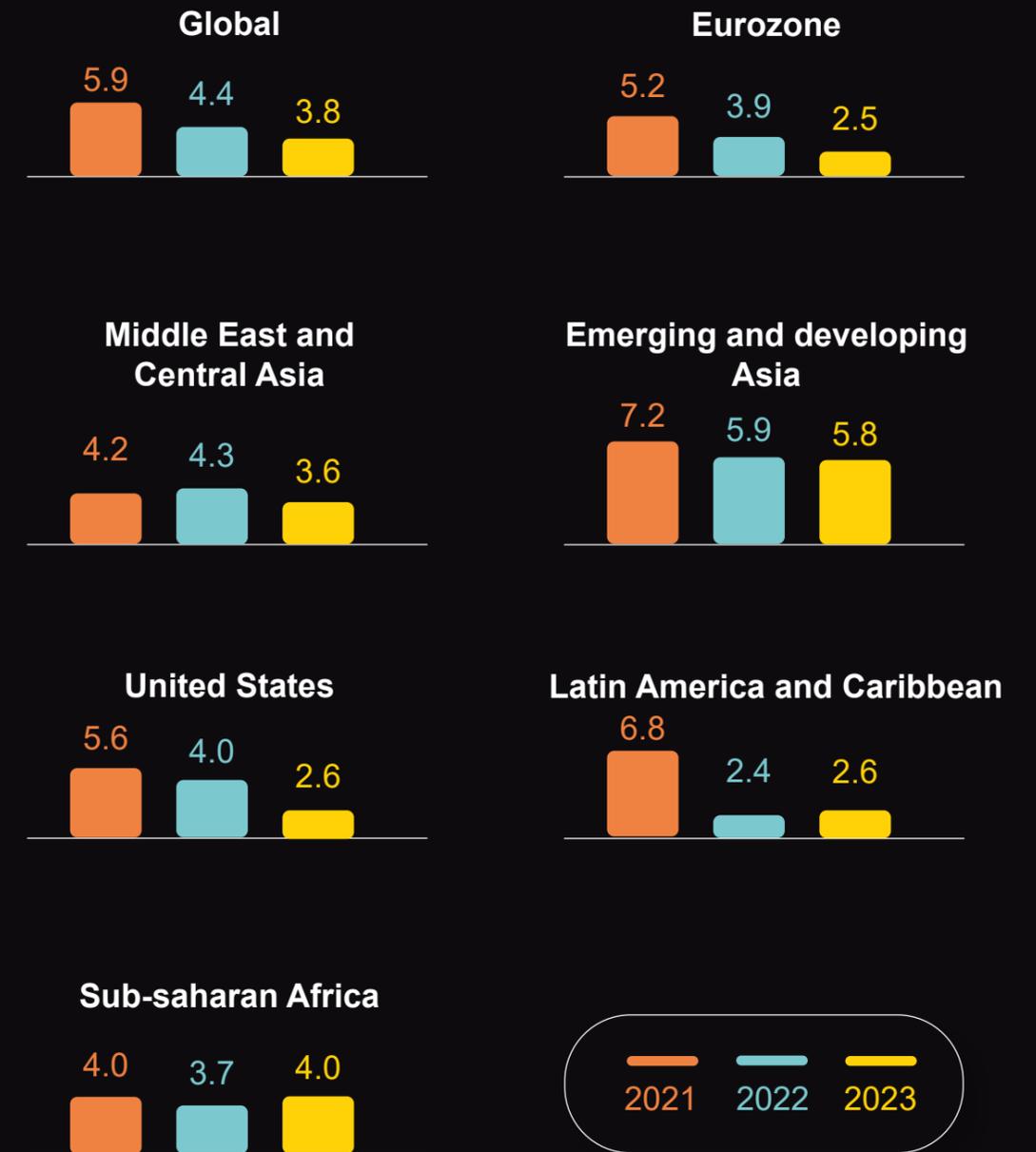


Inflation jeopardizes growth expectations

Although it has been pointed out that it would be temporary, especially by regularity authorities of each country, the conjunction of other factors such as obstacles in supply chain or the increasing demand and cost of energy will possibly prolong its impacts. Thus, inflation depreciates post-pandemic recovery expectations. The duration of the inflation crisis will curtail as the world returns to the globalization that existed in 2019.

As an example, Freemarket estimates that Spain's Gross Domestic Product (GDP) will decline 1.3 due to the rise in energy prices

Evolution of regional GDP (2021-2022-2023)



Source: **FMI 2022**



It's not easy being green

The energy sector requires investments that put at risk an increase of prices and taxes, as well as geopolitical tensions, all of which could be aggravated in 2022.

As an example, fossil fuel energy increased by 95% between October 2020 and October 2021. Some countries try to emulate France's direction by developing nuclear energy while others try to advance the production of renewable energies.



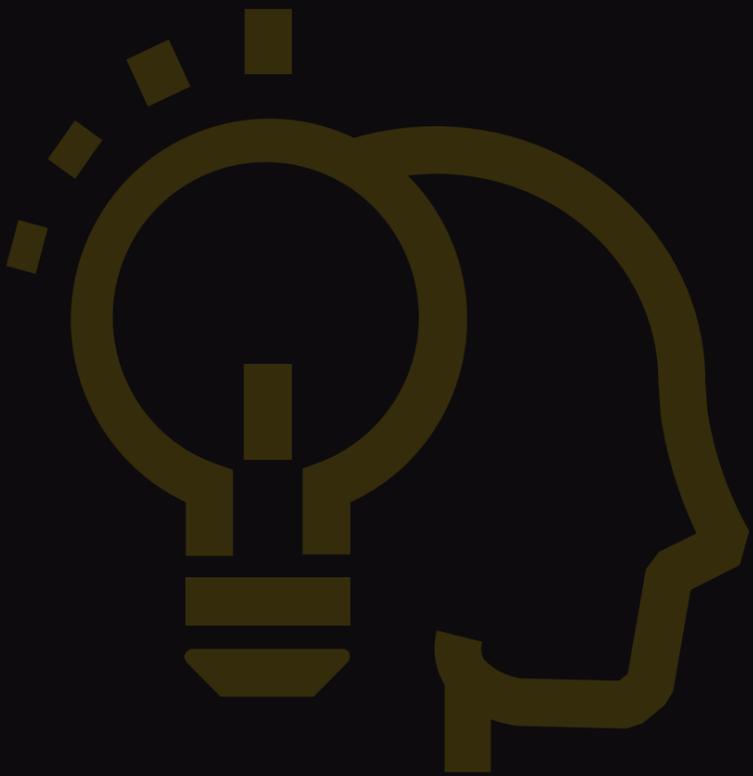
Food insecurity: a regional problem?

The elevated price of food worsens the stability of underdeveloped countries. Between May 2020 and May 2021 prices grew by 40%, the highest level since 2021. Once more, the deficit of containers and hiked prices of crude oil as well as the risk of depreciation of local currencies in developing countries and environmental risks -floods, fires and extreme weather- act as influential factors to food security.



INDIVIDUAL EMPOWERMENT AND SHIFT OF VALUES

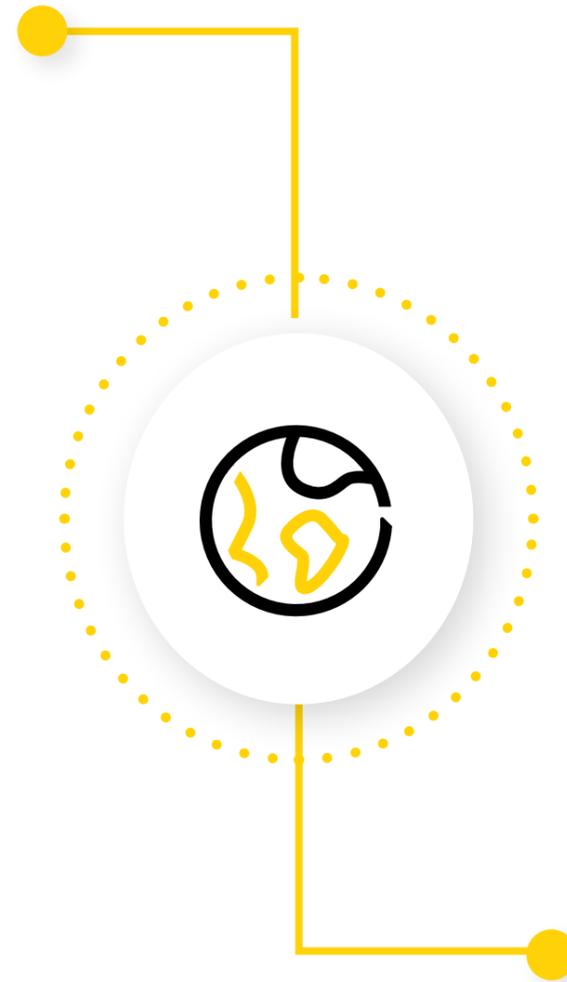
Me vs. the world





Back to the old normal?

For many months a large majority of citizens lived under restrictions and saw their daily habits related to communication, labor, leisure, shopping, travel, and consumption altered. The Economist created a **“normalcy index”**, which measures the level of normality in 3 areas: transport, leisure, and commercial activity. In this case, 100 being an indicator of old normality. Interestingly the value surge from 25 in April 2020, to 60 in January 2021 and 79 mid-October 2021. The most impactful changes in this aspect was the return for many to their offices and attendance to cinemas which are predicted to read an index of 80. On the other hand, attendance to sporting events is the most impacted category and with the least growth at a value of 30 in October 2021. Thus, we can observe an uneven recovery with respect to the old normality and it will be maintained in the coming months, with the evolution of new ways of consuming and, in general, living.



Accepting the obsolescence of traditional work

At the beginning of the COVID-19 pandemic, it was pointed out that telework is here to stay, however, as normality settles down the adoption of this alternative is less than it was expected. In addition, many people expected to enter or return to the job market will see their professions no longer exist or are doomed to eventually disappear. In fact, the United States and United Kingdom are warning of a phenomenon that could last in the coming months: The Great Resignation. Previous work formulas characterized by the requirement of physical presence and large amount of hours are becoming outdated in the face of current demands of employees that seek a better home-work balance and improve in general their quality of life. In just three months, between February to April 2020, the U.S. unemployed population grew exponentially, from six million to more than twenty-three million and according to Microsoft's **Work Trend Index**, up to 41% of employees could consider leaving their current job within a year.

35

April 2020

60

January 2021

79

October 2021

Evolution of the Global Normalcy Index

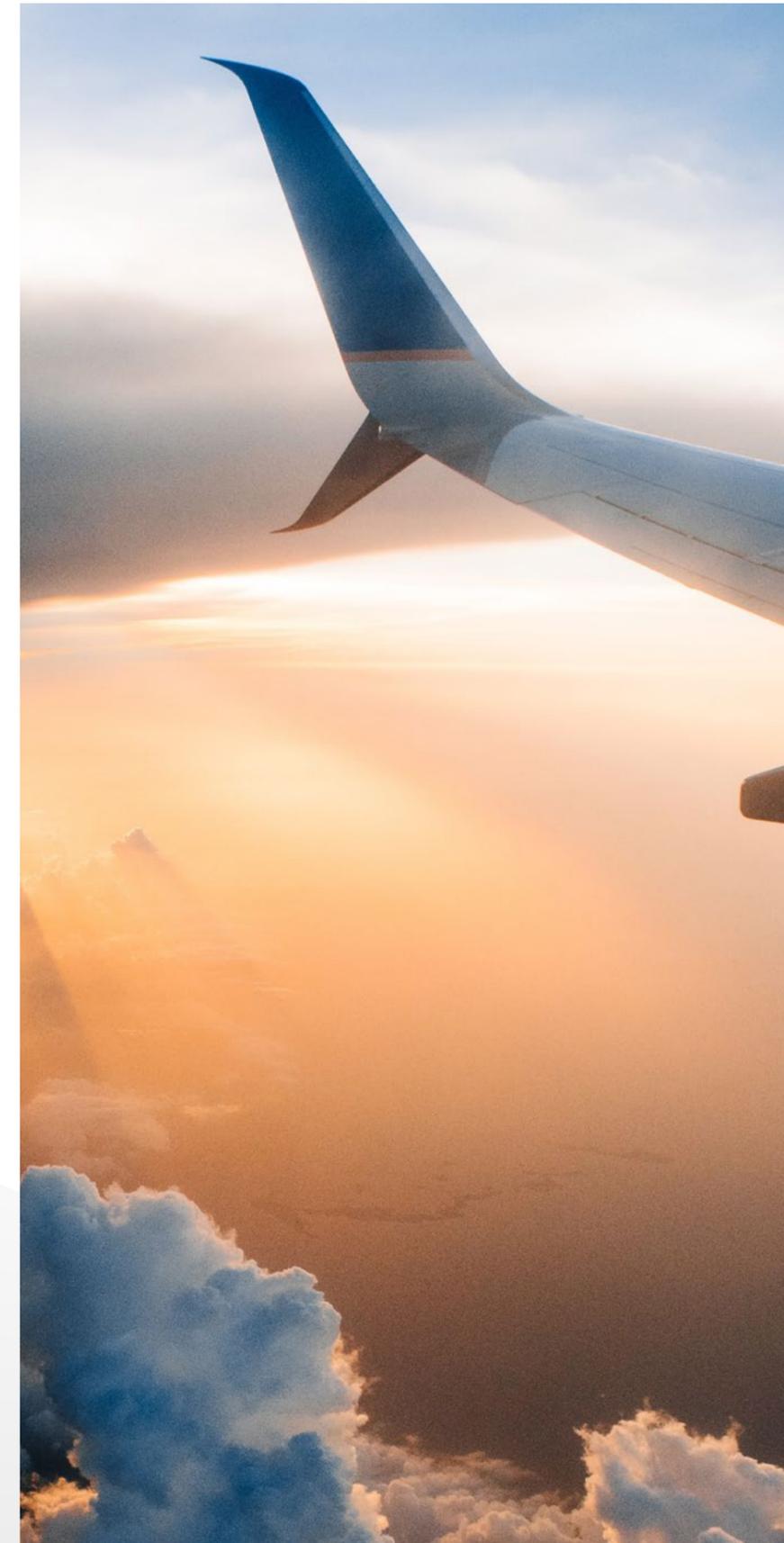


New wave of social awareness

The COVID-19 pandemic has put forward certain habits which had already manifested themselves for years but have significantly increased in the recent months. As an example, the focus on health has gained great importance. Yet, is not reduce to habits, overall there is a shift in values, an enhancement of communal resilience and new forms of social solidarity.

Despair, pandemic fatigue and vulnerability to the health crisis are important drivers for seeking sources of well-being.

In addition, another phenomenon has been the tendency towards sustainable ways of travel and the increasing concern for the environment. According to Weekendes, searches for eco-sustainable hotels increased by 237%, placing Spain above the global average of 189%. This trend reflects an awareness towards the ecosystem and the need for “responsible tourism” by trying to reduce its negative impacts. This is also a positive reflection of new forms of individual empowerment.



TECHNOLOGICAL CONVERGENCE

Exponential global development





Cybercrimes: main risk

The digital transformation and the development of new technologies has encouraged innovation in companies and promoted new solutions to optimize the services offered to customers. However, digitalization has also led to the emergence of new opportunities for criminals to attack users, businesses and even states while creating more and more unpredictable risks.

In this regard, there are three main attack vectors: mobile, IoT and cloud services. Furthermore, ransomware attacks are increasing this year, along with the attacks directed towards critical infrastructures.

This year's conflict between Russia and Ukraine is implying an intensification of cyberattacks, highlighting the hybridization of current threats and its expansive global impact.



Supply chain or obstacle course?

Cybersecurity companies are alerting about the risk of supply chains becoming objectives of attacks especially due to its vulnerabilities easily exploited by cybercriminals. The large delocalization of the supply chain, usually spread between countries on different continents, offers different critical points for cybersecurity failures, such as data breaches or potential infection devices with malware. To list some examples, in May 2021 cybercriminals attacked on one of the largest oil pipelines in the United States and were able to retrieve 4 million dollars in exchange to returning access to computer devices and in Brazil there was a hijack of the operating systems of the multinational JBS which was forced to pay 11 million dollars in bitcoin. The advancement of this lucrative criminal trend is the reason behind the warning by cybersecurity companies to strengthen their security systems and promote public-private cooperations.

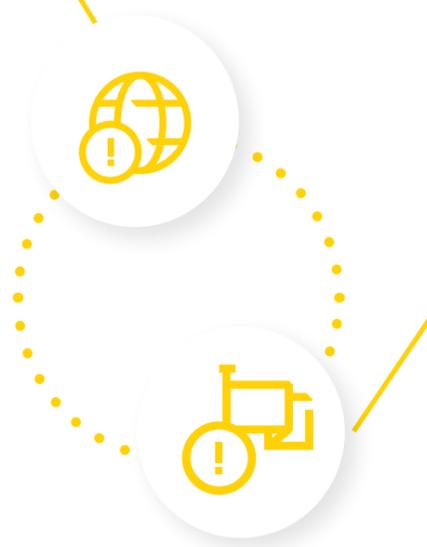


Convergence as an amplifier of the attack surface

Artificial intelligence, 5G and blockchain will mark during the following years the technological agenda of construction, telecommunications, agriculture, telemedicine, transportation, video-gaming, entertainment industries among others. But these new lines of action bring with them a multitude of security risks, both physical and digital, that we cannot ignore.

This digital disruption, together with the convergence of new technologies, are pose as one of the risks to which companies must pay attention in the coming months. Increased connection speeds, increased data handling, lower latency, and complex troubleshooting can lead to new cybersecurity problems that will force users, corporations, and governments to upgrade their defense systems.

Moreover, with the arrival of 5G in 2022 our eyes will focus our attention to 6G.



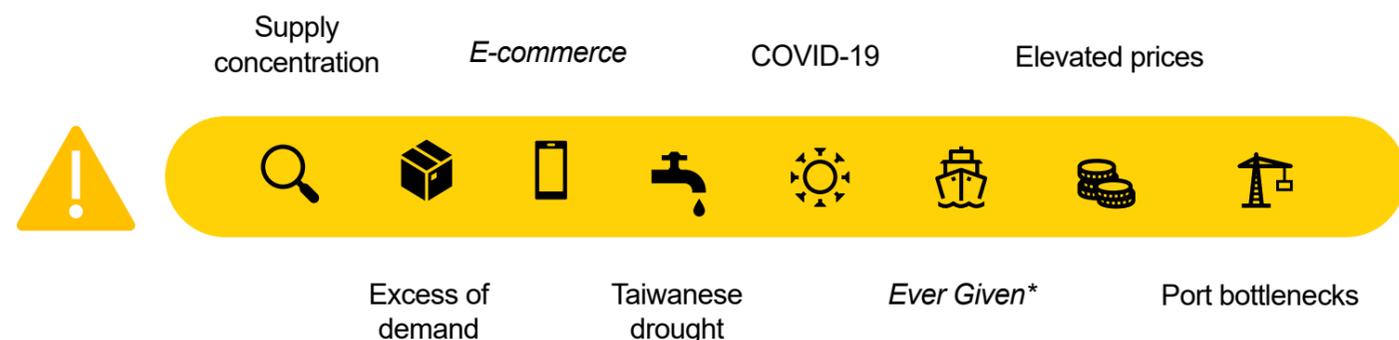
Technological Cold War: a scarce good called microchip

The semiconductor crisis that has characterized this last year continues in 2022. This situation will continue to cause delays in deliveries and the increase in prices for manufacturers and end consumers, due, in short, to a mismatch between supply and demand.

This scenario is being prolong amid a turbulent international landscape, led by China and the United States, who are vying to be the technological leaders of the coming years. In addition, Taiwan plays a fundamental role by leading the world in the manufacture of microchips with the Taiwan Semiconductor Manufacturing Company (TSMC), one of the most important companies in the world according to its market capitalization. In this regard, the political rivalries between Taiwan and China have also been visibly marked in recent months, when Taiwan apparently banned the publication of job offers on Chinese territory, especially in those sectors considered critical by the Taiwanese government, such as semiconductors, with the aim of trying to curb the flight of talent to Chinese companies.

Therefore, the development of the technological market will be affected in the coming months and the multiple geopolitical, economic, and social consequences will mark the agenda of 2022.

Causes of price increase and delays



* container ship that ran aground in the Suez Canal in March 2021; its derived consequences are still palpable today in terms of delivery delays

HEALTH & WELLBEING

New lifestyles





Care crisis



We are still recovering from all the crisis derived from the 2020 pandemic and health, economic, political, social risks have highlighted the evolution of recovery and will continue to do, specially when it comes to the transformation of our perception of health our world is undergoing.

On the contrary to what was initially thought, the effects of COVID-19 are spread and distributed in an uneven way depending on, among others, age, sex, socio-economic factors generating important inequalities in

relation to risks and impacts, such as the pandemic fatigue.

The main complex problem that is still unresolved is the management of the health situation, that has had an enormous impact on people's health, prolonged physical symptoms and deterioration mental health. This has also coincided with the management of vaccination campaign, detection of new variants and economic measures to mitigate impacts of the pandemic. All of the above are challenges that countries will continue to face this year.

Wellbeing: a way of being and living



People are reconsidering their ways of living and thinking in a context of unmet demands and its generated inequalities.

The concept of health has been amplified to include certain aspects that were set aside such as mental, nutritional, and social health surpassing the exclusive physical disease. Living in confinement has caused cultural changes in environmental, educational, and labor aspects, which, once experienced, may derived over the following months or years in the creation of new social

demands.

The social frustration towards the institutional management of the pandemic contrasts with the admired work of the health personnel, which has led to a greater interest in self-care. Although this has its positive side, it can lead to overmedication, anxiety, depression and the fear of a new confinement, generating new health and social risks such as the appearance of new pandemics, behavioral disorders and heart disease, in short, a deterioration of mental and physical health population, with the consequent risks of social exclusion.



The next pandemic has already begun

Rather than being overcome, it seems that the risk of pandemics will increase in 2022 through different factors, not just linked to those of the coronavirus and its mutations.

70% of the latest epidemic outbreaks such as Ebola, SARS or HIV have their origin in deforestation (*FAO, 2020*); this means that the protection of the ecosystem is a matter of public health, and if the current pace is maintained, the emergence of new epidemics is only a matter of time. In addition, there is also the silent pandemic of antimicrobials as indicated by the *OMS*.

Moreover, the most lucrative criminal markets will grow in this regard: trafficking of fauna and flora, as well as medicines and health products, will enhance these health risks in 2022.



ENVIROMENT AND SUSTAINABILITY

The ecosystem as a priority



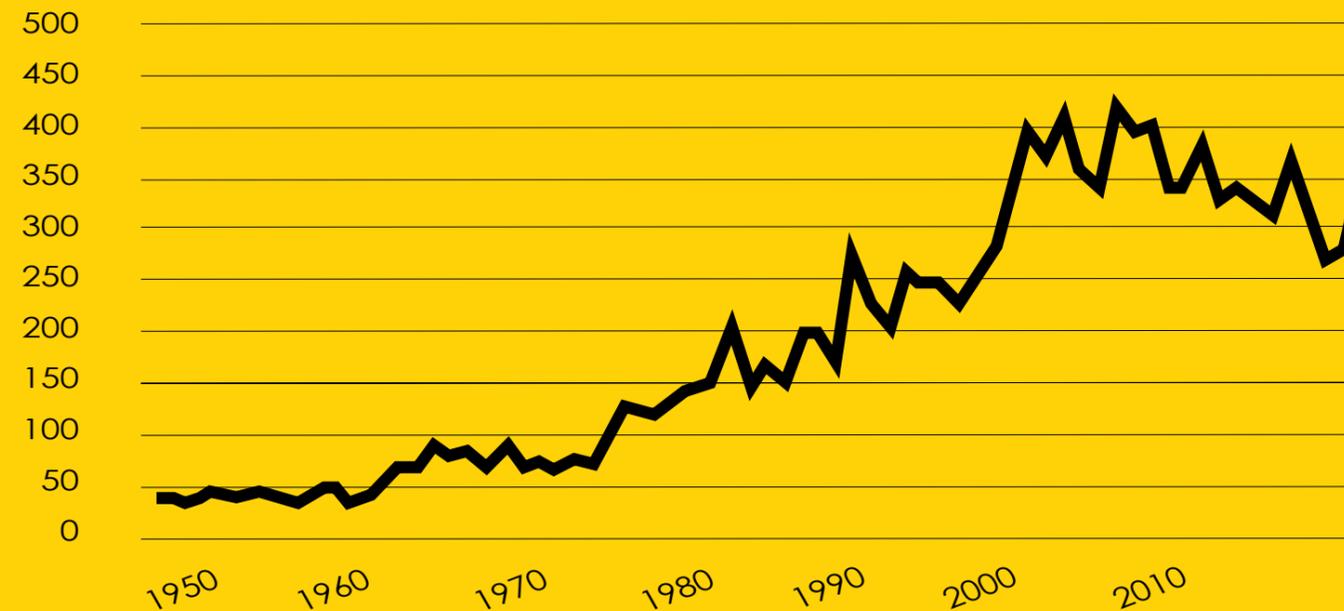


Tendency towards extreme weather events

Although we are used to talking about disruption in the technological field, the truth is that it is a generalized trend, as stated by the World Uncertainty Index (WUI). In this context of change, our ecosystem is suffering a significant trend towards extreme weather events. For example, one-fifth of our planet suffered extreme drought during 2020.

Although examples such as COVID-19 around the world, storm Filomena in Spain, the extreme heat wave in North America and the storm in Zhengzhou with the equivalent of rain to a full year perfectly illustrate this trend, the truth is that it already existed before 2020. Historical records of torrential rains or high temperatures linked to climate change, or significant forest fires and extreme droughts will continue to grow in 2022.

Evolution of total number of natural disasters



Source: *Our World in Data*





In search of the vaccine for environmental deterioration

Analyses on food safety and water stress have put the world on alert, and have become an important wake-up call regarding the limitation of natural resources and the loss of biodiversity.

Initiatives such as **COP26** to accelerate climate action, the

The Zero Footprint to reduce emissions and the self-imposition of the **(United Nations Sustainable Development Goals)** by both governments and companies are rather the result of social demands. This business commitment will also mark certain global trends in the monitoring of ESG criteria, the transition to clean energy, investment in green finance and in divestment of some sectors linked to coal.



Last call for sustainability

The great opportunity lies in the migration of the business purpose from the old criteria of economic profitability to the social and environmental impact.

Sustainability is already profitable, and companies with a purpose that invest in resilient and environmentally friendly businesses will stand out from those that ignore the need to

take care of the place where we want to spend the rest of our existence, and will therefore continue to be the preference of conscious consumers in 2022.

We are entering the most critical decade in history, and the great risk will be failing to commit and mitigate climate change as it relates to humans, and in adaptation in relation to the evolution of the world.

**BETWEEN THE NO MORE AND THE NOT YET:
THE TIME OF REDEFINITION**



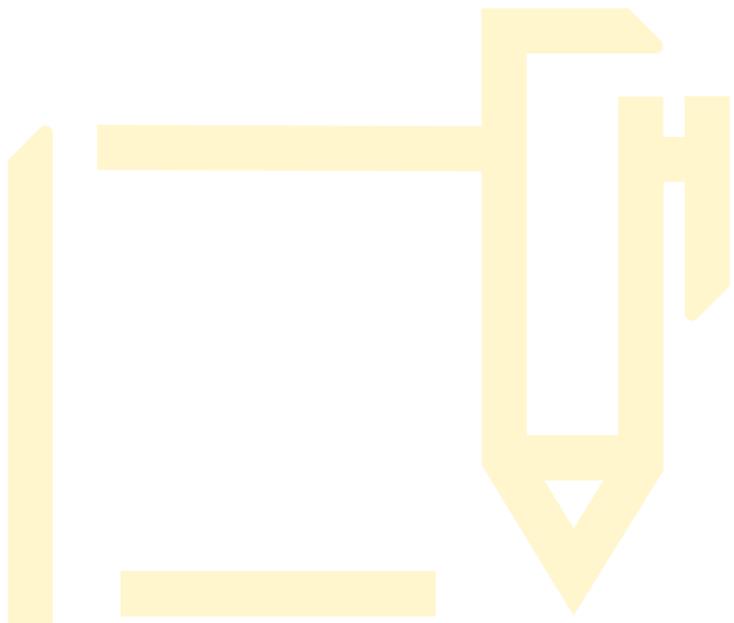
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BETWEEN THE NO MORE AND THE NOT YET: THE TIME OF REDEFINITION

In addition to what has been presented, 2022 should be a year of hope. We have seen and lived what is most precious to humanity; live and freedom. This has allowed the generation of new ideas, proposals, leaderships and purposes. The proper management of this risks will require innovation, cooperation and sustainability from companies, as well as creativity, bravery and serenity from people. The pandemic, including its derived personal and social hardships, must be analyzed as an opportunity to reconsider priorities, habits and values.

Part of the future lays there, in the extent that the derived changes will become structural or stay merely as conjunctural, and in finding the balance while being able to move on from a past that is condemned to die and embrace the new with excitement.





We guarantee the safety of people, businesses,
and society as a whole.