What kind of world—and what kind of profession—will emerge on the other side of the pandemic?

BY LUC RINALDI

A year before the first reported case of COVID-19, CPA Canada published an eerily prophetic prediction. As part of Foresight, an ongoing project to future-proof the accounting profession, a wide-ranging team of experts imagined four ways the 2020s might unfold. In one of those scenarios, Phoenix Rising, a series of catastrophes beleaguer the planet, inspiring the sort of international co-operation necessary to tackle extreme poverty, inequality and climate change. Today’s calamities, the scenario suggested, would lead to tomorrow’s triumphs.

Just six months into the new decade, Phoenix Rising is no longer hypothetical. Its bleakest projections have become reality in the form of the coronavirus pandemic, a paralyzed global economy, untameable wildfires and record-breaking temperatures. Though these crises have sparked instances of global solidarity—medical teams collaborating across borders to develop a vaccine, for example—there’s no guarantee these events will unite the world in pursuit of the common good.

In many ways, the opposite is true. This past spring, Donald Trump restricted immigration to the U.S., withdrew funding to the World Health Organization (WHO) and attempted to stop manufacturer 3M from exporting masks outside the country. Leaders worldwide have taken similarly nationalistic steps: closing normally porous borders, outbidding one another for vital medical equipment, moving manufacturing back home. Even if they’re temporary, these me-first measures are symptoms of another, more antagonistic Foresight scenario, My Way. In contrast to Phoenix Rising, My Way imagines an inward-looking world, split apart by populism, a breakdown in global trade and distrust in political and financial institutions.

Or perhaps the future will resemble a third scenario: Tech Titans, in which technology conglomerates emerge as global superpowers with government-like influence over health care, transportation and the economy at large. In the early months of the pandemic, this prognosis began to play out. Amazon, for one, hired 175,000 extra workers to meet increased demand, developed a COVID-19 testing lab and watched its sales and stock price soar. And thanks to Trump’s actions, the WHO’s largest backer is now the Bill & Melinda Gates Foundation—an international-development charity that stems in part from the success of Microsoft—which has
No matter which scenario the future most resembles, the role and skills of CPAs will evolve. In a Phoenix Rising world, professional accountants would need to broaden the scope of information they report to include intangibles such as environmental, social and governance factors, which would become increasingly central to businesses’ operations. After the pandemic, those businesses could also call on CPAs to pay particular attention to risk management, assessing companies’ level of preparation for other catastrophic events and identifying assets, such as unwanted oil reserves or grounded planes, that could be stranded and lose their value in the transition to a low-carbon economy.

In an insular My Way future, by contrast, the profession’s success would largely depend on CPAs’ abilities to ensure the public trust, build personalized and locally focused relationships with clients, and become dependable insiders in a world wary of outsiders. The Tech Titans scenario, meanwhile, would require CPAs to orient their skill sets toward what tech firms deem most important and familiarize themselves with emerging technologies such as artificial intelligence, blockchain and Big Data.

The next phase of Foresight, which is currently underway, will propose concrete steps that the profession can take to acquire these urgently needed new skills.

“The pandemic has accelerated the pace of change,” says CPA Gord Beal, who as CPA Canada’s vice-president of research, guidance and support was involved in developing the Phoenix Rising scenario. It was one thing to imagine it; it’s another to see it come to life. “It’s been quite eye-opening how quickly our economic systems can be brought down by a natural phenomenon like this.”

Before the pandemic, the Foresight initiative proposed a bold reimagining of the accounting profession, one that positioned CPAs not just as keepers of finance but also as guardians of data integrity. “A data environment makes starkly new demands on CPAs,” according to “The Way Forward,” a report capping off the first phase of Foresight. “If data is power, then the profession’s livelihood depends on its ability to determine the role it will play in identifying, measuring and creating value from this proliferation of data.”

The pandemic only highlights the need for strong data governance, says Batstone. “The decisions we’re making right now are so serious: where to direct medical aid, where to put ventilators, whether or not to reopen the economy. Without the right data, we could be making the wrong decisions.” Even correct data can be misleading without a...
The coronavirus outbreak may exacerbate nationalism and stall climate change action

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A data-savvy CPA, for example, might scrutinize Canada’s COVID-19 numbers: Does Quebec truly have the most cases, or is the province simply testing more widely than others?

The pandemic has also reignited existing debates over data. As social and professional life migrated online in March, questions about who collects, owns and sells our data became even more pressing. Critics and consumers slammed the now-ubiquitous video-conferencing platform Zoom, for example, for a litany of flaws: Hackers could “Zoom bomb” private video chats or surreptitiously access users’ webcam feeds, while the company itself has allegedly sold data to third-party firms with less-than-sterling track records of protecting it, such as Facebook.

While the outcry forced Zoom to provide software updates that bolstered privacy and security, other data-collection measures from the pandemic may have more long-term implications. Around the world, medical professionals are using smartphone data to conduct contact tracing—that is, determining who may have been in proximity to someone with COVID-19. In a pandemic, Canadians may be willing to disclose such information to government-run public health agencies. “But how much of this will we be willing to tolerate in normal times?” asks Rohinton P. Medhora, the president of the Centre for International Governance Innovation, a think tank in Waterloo, Ont. “I think awareness around what Big Data firms have done and how much privacy was invaded is now such a public conscience issue. The data firms have almost become the new tobacco firms.”

Canadians’ healthy skepticism reinforces the urgent need for robust data regulations and professionals who understand digital information. Without them, the world may emerge from the pandemic only to find itself in a dystopian Tech Titans scenario, one where unchecked Silicon Valley corporations consolidated influence while COVID-19 occupied policymakers. Working with the Canadian Data Governance Standardization Collaborative and the CIO Strategy Council, CPA Canada is actively helping to craft a comprehensive
national data strategy, but Medhora argues that no country can tackle this issue alone. “We can’t make much national progress on digital issues without having global conventions.”

An appetite for international co-operation may be a silver lining of the pandemic. In the same way that the tragedies of the Second World War gave way to the United Nations, COVID-19 is placing renewed emphasis on the World Health Organization, the World Bank and the International Monetary Fund. The pandemic may even give rise to entirely new global institutions and processes, says Medhora.

Of course, the world could pursue an opposite path, one more aligned with the My Way scenario, where countries fight over an eventual vaccine the same way they competed for masks. “The optimistic part of me hopes the world will recognize that what we’re seeing here transcends borders,” says Batstone. “We can’t do this on a country-by-country basis. The solutions we need are global in nature, and this pandemic has done nothing but highlight that.”

Global unity is particularly essential in the fight against another existential threat: climate change. During the lockdown, the world witnessed not only economic devastation but also natural rejuvenation: clear skies in New Delhi, pristine waters in Venice, wildlife roaming the streets of Buenos Aires. The World Meteorological Organization, a United Nations agency, expects carbon emissions to drop by six per cent in 2020 as a result of the pandemic’s effects on air travel, energy and other greenhouse gas-producing industries. “But it is not a substitute for sustained climate action,” the agency warned. “We need to show the same determination and unity against climate change as against COVID-19.”

The pandemic has shifted the dominant business narrative, at least temporarily, to one that emphasizes the planet and its people. “Companies are suddenly switching to very different ways of creating value, with much more of a stakeholder approach,” says Batstone. Rather than emphasizing the bottom line, businesses are prioritizing the common good. “Marketing today is all about working together to come out of this crisis, taking care of people, taking care of employees.” Batstone says this change in tone poses interesting questions for CPAs: Will this shift in narrative be reflected in corporate reporting? How should CPAs measure that value? What key performance indicators are in place behind the scenes?

These questions, however, may be moot if stakeholder capitalism gets forgotten amid frenzied efforts to create jobs and reboot the economy. “That’s obviously the danger: that we sacrifice all of these other things for the economy,” says CPA Canada’s Beal. To him, this moment represents a referendum on capitalism—and an opportunity to develop a more sustainable version of it. “We need to be looking for a new type of capitalism on the other side of this,” he says. “We need a better way to run our financial institutions, our businesses, our economies—a way that doesn’t identify the environment as an external issue. Nature and society have to be fully considered in the context of how we perform. If we’re measuring success in any other way than that, we’re not doing it right.”