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The E-Hub of the World is a Must

TODAY WE LIVE IN THE 21ST CENTURY TECHNOLOGY ERA. THE BIG QUESTION WE SHOULD BE ASKING IS: WHAT CAN TECHNOLOGY DO TODAY TO HELP REBUILD OUR GLOBAL ECONOMY?



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“Necessity is the mother of invention - when the need for something becomes imperative, you are forced to find ways of getting or achieving it”.

Oxford English Dictionary

For nearly a decade, despite all available monetary, fiscal, and trade policies being exercised, the global economy steadfastly remains in a sub-optimal condition. In an interconnected world we all need to find a new inventive way of building a sustainable

foundation for the next generation to take on and build the kind of future that we aspire for them - and we need to be inventive given the virtually insurmountable challenges that abound! However, I remain optimistic and hopeful that the ingenuity of man

will prevail, for in the midst of the despair, a glimmer of hope is breaking through the dark economic clouds, a digital ray of sunshine that provides the promise of a brighter future for the global economy.

Global economic experts agree that the Digital Economy has the power to increase global GDP (USD 73 Trillion) by 10% and create 100 million jobs if it is plugged into the global B2B marketplace.

The old, capital intensive, heavy industries and economic structures of the past are thankfully being replaced by a more agile and sustainable model based on clean, digital technologies that provide open access and social inclusion for all. The pathway to the digital future is clear for all to see, self-driving cars, intelligent buildings, the 'Internet of Things' and portable devices running Apps that seemingly cater to all of our needs. However, less clear is how the digital technology will actually stimulate global growth and bring about the sustainable foundation for the future, so desperately needed.

The current architects of the Digital Economy are focused on the entertainment needs of the populations in high-income countries but they have yet to develop an effective Digital Economy for the supply of basic needs to the world's population. For example, view the phenomenon of so called 'virtual augmented reality' games against the backdrop of millions of starving refugees worldwide and one gets a sense that the Digital Economy is not being effectively targeted at where it can do the most good for the World!

Indeed, the common accepted view is that the Digital Economy is exclusively about the sales of technology devices to drive content and social media, however if the Digital Economy were a plug, which socket should it be plugged into so that it can unleash the greatest economic impact? How can we become more inventive with the power of the Digital Economy to unleash its true potential?

Global economic experts agree that the Digital Economy has the power to increase global GDP (USD 73 Trillion) by 10% and create 100 million jobs if it is plugged into the global B2B marketplace that, according to the VISA Commercial Consumption Expenditure Index is worth an astounding USD 140 trillion annually. The B2B marketplace is nearly double that of global GDP due to the cumulative effect of 'value adding' as goods move through global value chains; yet the B2B marketplace is woefully underserved by digital infrastructure.

We have come to a crossroads and need to decide quickly about which path to take. Do we continue to focus

development energy on creating digital devices to deliver digital content to consumers, or focus that energy on the area that has the most potential to transform the world? The Digital Economy is so much more than the latest game or App. It has the power to drive transformational change in our world if applied to the "mother of all industries", the B2B marketplace and thankfully World leaders agree with that premise.

During the 2015 Turkey B20 conference global business leaders discussed the Digital Economy and for the first time it was adopted by the G20 leaders as an item for action. Furthermore, it is a key topic of discussion at the 2016 China B20 because of its undeniable ability to stimulate the global economy. However, how can we turn discussion into practice and unleash the true power of the Digital Economy to ensure that it meets the growing economic aspirations of the global citizens?

How can we ensure that it stimulates the global economy as a whole rather than merely catering for entertainment needs?

Establishing the Foundation for a Global Digital Economy Platform

It is time to get inventive! There is no lack of good policies that are recommended by global policy leaders but the ones they need to focus on are those that have the greatest global impact and that are implementable. To turn policies into, implementable policies they need to adhere to a set of criteria called an Implementable Policy Formula (IPF). The IPF should bring together all stakeholders of the global economy – government, service providers, and voices of those affected at the ground level – all working together, capitalizing on what each sector does best within their capabilities and jurisdictions.

The IPF is therefore based on the following:

1. A Common Denominator Among Policies: The most common and comprehensive denominator of those tangible and quantifiable policies that have a rapid and direct positive impact on the real economy.

Through more than 10 years of research and development GCEL has positioned the Digital Economy to meet the requirements of the IPF. Through its membership on five 2015 B20 Turkey Taskforces, GCEL contributed to increasing the profile of the Digital Economy to a key policy recommendation; and through its membership on five 2016 B20 China Taskforces - where the Digital Economy is now at the forefront of policy recommendations with a focus on implementation.

2. Validation and Definition From the Ground Level: It is of paramount importance that the real economy

participants on the ground validate the policy benefits and define the tools they need to do a better job.

The G20 Nations Case Study, the world's largest diagnostic study of trade efficiency in the B2B marketplace, has yielded staggering results from those surveyed to date: 85% of B2B trade participants have no digital integration with global value chains and 89% agree that they need a Digital Economy Platform (DEP).

3. Industry Capability and Commitment: Once the policy's benefits are validated we must secure the related industry resources for rapid implementation.

Based on the above, 26 of the world's leading technology companies have signed strategic agreements to collaboratively build the DEP because they all agree that no one company can build it alone.

By focusing attention on the Digital Economy and implementing the IPF, global leaders can turn great policy into practice. However, given the critical nature of trade to a Nations' security, the development and oversight of the Digital Economy cannot be entrusted to one company, one country or one region. It must be geo-politically neutral and non-monopolistic in nature to ensure unrestricted and rapid deployment. Indeed, one of the key reasons that a global DEP for B2B has not emerged until now was the absence of a governance and deployment structure that could offset any geo-political or monopolistic concerns while being acceptable to all nations of the world.

So, if we accept that the positive effect of the Digital Economy is most profound when plugged into the global B2B marketplace and that the engine of the Digital Economy is to be a DEP, what is the fuel that we must use to ensure maximum performance?

At the core of the B2B marketplace lies trade, which is comprised of 4 main pillars:

1. Commerce
2. Finance
3. Insurance
4. Logistics

Since logistics is the most fragmented of the pillars, if we focus on making it more efficient, we can produce the highest-grade fuel to power the DEP to its maximum output. That fuel is information, created from data of the highest quality, Ultimate Data Quality (UDQ).

Today's Digital Economy mainly relies on low quality information created from Non-Validated Data (NVD), that is data derived from a single source, such as user reviews and buyer feedback. Despite this lack of validation, user reviews, for example, have become highly persuasive to consumers in the digital environment but they lack the validation required for professional purchasers of goods and services.

At the other end of the scale lies high quality information created from UDQ that is dynamically and continuously validated by multiple parties in global value chains. UDQ has a high level of veracity and can be relied upon by participants in the global B2B marketplace to help make informed purchasing decisions. It also benefits Digital Economy service providers such as banks and insurance companies due to the de-risking effect created by greater transparency over global supply chains.

Where can we find the UDQ required? The answer lies within the 4th pillar of trade – Logistics. It is the main source of UDQ because as shipments flow through the industry clusters in the real economy, shipment data is continuously validated from multiple sources in the same trade lane pipeline.

In a horizontally integrated digital environment, errors or anomalies can be quickly identified and addressed in real time to enable peak logistics performance. At the same time, a system that automates the flow of data in the logistics industry will also generate the UDQ needed to boost the performance of the other three pillars of trade – Commerce, Finance, and Insurance – to reach their full potential and usher in the Digital Economy.

Hence, the lack of a dynamically validated information environment that generates the UDQ is holding back the emergence of the Digital Economy for the B2B marketplace.

Fueled by the rich information of UDQ, the DEP creates a new global e-Market place for B2B. Not just one that covers an e-world trade platform but one that complements trade with the needed services from the Finance, Insurance and Logistics industries, while offsetting geopolitical and monopolistic concerns. Thereby supporting B2B participants around the world, and impacting the lives of billions of people to deliver economic benefits to every corner of the planet.

As noted previously, validation of the demand for the DEP has been gained

from the ground level through the G20 Nations Case Study, which is the world's largest diagnostic study of trade efficiency in the B2B market place.

To maintain their confidence in the DEP, respondents told us that they want 4 critical items in place:

1. The DEP to be built and governed in a manner that offsets geopolitical and monopolistic concerns.

In response, the DEP will be built and governed within a unique structure that brings together the public and private sectors from around the world to ensure geopolitical balance and offset any monopolistic concerns.



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2. The DEP must be sustainable and provided free of cost.

In response, the DEP will be continuously available, free of cost to the end user through Revenue Sharing Agreements (RSA) held with the strategic partners that provide e-Marketing, e-Finance and e-Insurance services.

3. The DEP must be run by a team that includes trusted technology partners.

In response, 26 of the leading global technology firms servicing more than 60% of the World’s GDP have unprecedentedly signed strategic agreements as a first step to be selected to join the team through an open and transparent tender process.

4. The DEP must be operated in a secure way to maintain data security and privacy to the highest level.

In response, the deployment of the DEP will be accompanied by a Global Data Security Standard (GDSS) to ensure data security and privacy is maintained to the highest level that safeguards the privacy of all stakeholders and the information security of both public and private organizations.

To elaborate, understanding that data must be shared across borders, one must address Nations’ interdependent security needs and respect their sovereignties, which can only be realized through a true

Public/Private Partnership (PPP). As a PPP, GCEL has brought together over 150 countries (through Pan Regional Organizations), 26 NGOs/IGOs and prominent international service industry firms and have developed the GDSS, which is based on the following “Axioms of the 5Cs”:

- C.1 Consortium of Globally Balanced Ownership
- C.2 Council of Worldwide Fiduciary Governance Board
- C.3 Committee of Technology Governance Board Experts
- C.4 Controlled Segregated Technology Development
- C.5 Continuous and Comprehensive Audits

As such, the 5Cs are ingrained into the very DNA of the DEP and provide the strongest of foundations for its construction and secure future operation.

In accordance with the aforementioned 4 critical elements for success, the DEP will be built and operated by the “E-Hub of the World”, a global technology center of excellence, where public, academic and technology organizations will work together as the “**E-Hub Core Triangle**”.

The E-Hub Core Triangle will synergistically combine the strengths of public, academic and technology entities because:

1. Public entities care for the creation of public goods and desire the widest access of those public goods by its citizens to maximize the welfare of the participants of the real economy. Therefore, a visionary public entity that acts as the Public Partner will provide a world-class location and ensure the implementation of policies to create and sustain the best environment for the E-Hub of the World to thrive, under the protection of the international community
2. Academic institutions produce long and medium term innovations that can fundamentally transform the global economy. Therefore, a leading academic institution will bring together world-class academic minds to build a knowledge center that ensures bursts of technological innovations to continuously feed the capabilities of the DEP. It will also identify policies that can be proposed to the Public entities to accelerate the adoption of the Digital Economy.
3. Technology entities strive to push the frontiers of innovation to build winning products and services that can empower the real economy participants. Therefore, an innovative leading edge global technology firm with the best technological operations will ensure fail-safe design, development, hosting and enhancement of the DEP.

Such a critical responsibility requires an extraordinary team to rise to the challenge – as the very wellbeing of 7 billion people will be in its hands. Failure is not an option. It must be a team with shared strengths, responsibility, ingenuity and tenacity to get the job done. This team is known as the “E-Hub of the World Core Triangle”.

Only a solution that creates an internationally collaborative environment where these natural strengths of public, academic, and technology organizations are woven together can produce the synergies required for sustaining continual innovation of the DEP.

This E-Hub Core triangle team will work closely with the world's top technology, commerce, finance and insurance firms selected using a transparent equal opportunity process, to act as "Gateways" to deploy the DEP to the real economy participants worldwide and unleash its true power. Such a critical responsibility requires an extraordinary team to rise to the challenge – as the very wellbeing of 7 billion people will be in its hands. Failure is not an option. It must be a team with shared strengths, responsibility, ingenuity and tenacity to get the job done.

The team will be international in nature, representing 44 countries through the Governance Board (28 Country representatives), Technology Board (spanning 12 countries), the commerce, finance and insurance Gateways (covering 3 countries) and the E-Hub host country. Together this superlative, multinational team becomes the guardian of the DEP, the engine that drives the global economy.

The process to construct the E-Hub is now well underway with strong competition from institutions around the world, desperate to host the nucleus of such revolutionary and transformational change. The potential partners for the Core Triangle all recognize the one off opportunity to become global thought leaders and drive innovation on behalf of the global community. They recognize that the pathway to a

brighter economic future for the world lies in the DEP, centered in the E-Hub of the World - created, run and governed in a sustainable, secure way, free of cost to the end user.

Thus the E-Hub of the World is born out of the necessity to stimulate global growth and thereby create the secure foundation for the next generation to build the bright economic future we wish for them. Without such revolutionary innovation, spearheaded by the PPP, the opportunity to bring the global economy out of its sub-optimal state may be missed for a generation, as so called 'stagflation' takes hold in many regions of the world. To beat this threat, we must shift the current focus of the Digital Economy away from the creation of yet more devices to where it can achieve the most for the development of humankind – starting with the B2B marketplace.

**A NEW PROSPEROUS FUTURE
THROUGH THE DIGITAL ECONOMY
IS NOW WITHIN OUR REACH**

