

**KAREN FOLEY:** Good afternoon, and welcome to this Student Hub Live event. It is a live round table discussion from the Open University Business School, and we'll be talking about globalisation, technology in business and society.

My name's Karen Foley, and I'll be hosting this session. And we'd like to welcome colleagues from all around the world and all around the country. It is a live interactive session, so whilst we have a panel of five academics from a range of universities on the Open University, this is your opportunity to engage in dialogue about how globalisation and technological changes impact you and your business.

So how do you get involved? Well, we have a chat function, which is in the stadium view of the interface. And we've just played a quick video about how all of that works. Now, if you're watching us through that mechanism, you'll be able to chat and see our interactive voting tools. You'll be able to tell us where you are, whether you've been to one of these events before, whether you're a Open University student or alumni, or other member of the public. Everyone is welcome at this event.

All of the chat will be fed in from our hot desk from Zach, who I'll introduce you to in a minute. But if you're not in that interface, you might be in the live stream interface. And, again, there is a chat function there. You do need to sign up for a live stream account, which basically involves an email, and then you'll be able to chat, also.

There is also a Twitter feed that we monitor throughout the event, and the hashtag for that is #studenthublive17. And you can let us know any questions, any thoughts you have through the chat in the live stream or stadium or through Twitter.

So I'd like to welcome Zach to the studio today, who will be your face and voices within our online discussion. Zach, how are you?

**ZACH:** I'm very well, thank you. Great to be here. And I've got some good chat on the chat rooms at the moment, which is good to see. Loads of people looking forward to today's discussion Terri wrote on Twitter. Looking forward a spot of global conversation today, so looking forward to it.

**KAREN FOLEY:** Excellent. Thank you, Zach.

Now, for those of you who are able to interact with the widgets, you can tell us where you are,

and by doing that, you just select on the interactive tool that you'd like to give us your answer to. So when there are three things-- we need you to enter three things. So we've said, for example, town, city, and country. So if you could fill those in with three things-- if you can only think of one or two in any of those instances, because they're all fairly similar sort of layouts, you just need to put a full stop in there so that your results will send.

Now, let me tell you what's in store for you today. We have a two hour event this afternoon, and we're going to have four sessions. We're going to take a look at various aspects about globalisation and technology. In the first one, we're going to have an introduction to globalisation and the impact of communication technologies. And I'll be joined by Ian Wairua, Mark Fenton-O'Creevy, and Wilfred Manuela, Jr., for that discussion.

Then at 13:30 Greenwich Mean Time, I'm going to take a look at the impact of mobile phones for learning and communication in Africa. And leading that panel will be Ian Wairua, and we'll be joined by Devendra Kudwani and Mark Fenton-O'Creevy. Then we're going to look more at the Asian countries, and Wilfred Manuela, Jr., will be joined by Devendra Kudwani and Peter Blum to discuss that. And, finally, we're going to look at future trends in technology and their impact on global economy. So a lot of interesting topics and discussions there.

If the chat is going too quickly, you can always select the little pen at the top right hand of the screen, and that will slow it down. And you can also adjust your layout to find a format that suits you. And there's a little button that you can press at the bottom of the screen, which will show you three sorts of versions of the interface, basically making the chat or video larger or smaller to suit you.

OK. So I think that's all the administration out of the way. And please do fill in the widgets to let us know where you are, how you're feeling in three words on this fine afternoon, whether or not you're an Open University student, and if you've been to one of our Student Hub Live events before.

So we'll fill you in and add those later, and we'll have a lot more questions in our first session, which is going to come up in a few minutes after this quick slide.

Right. Welcome back. This session is going to be about an introduction to globalisation and the impact of communication technologies. So we're going to look at the differences in business environments within Asia, Africa, the US, and Europe, and then we're going to take a

look at the roles of social media, big data, and IT innovation. So lots there.

We've got lots of questions to ask you at home, as well, so you should see in your interface lots and lots of widgets, or interactive tools, that should have populated now. So you can have a look at those and fill in as much as you would like to and also, obviously, put comments in the chat, as well.

So joining me is Mark Fenton-O'Creedy, who is Professor of Organisational Behaviour and Associate Dean, External Engagement at the Open University Faculty of Business and Law. Welcome, Mark.

Now, you have a long standing interest in comparative cross-national management practise. I mean, you've had a very various past, both in terms of the application and theoretical side of things, as well, which will make this discussion incredibly interesting.

Wilfred Manuela, Jr., you're joining us from the Asian Institute of Management in the Philippines, and you're involved in the design and delivery of economics and finance courses for the graduate degree programmes over there, at AIM. You also teach business economics and corporate finance. And we'll be talking about your specific area and your research just a bit later.

And Ian Wairua is joining from Strathmore University in Nairobi in Kenya. And Ian is passionate about the learning experience for students in Africa through the use of innovative and emerging technologies. So we'll be focusing a lot on technologies in that final session.

And, later, we'll be joined by Davendra Kudrani and Peter Blum.

Right. So our first question, I guess, if I can put to you, Mark, is, what are some of the big business and management challenges that globalisation and the pace of technological change face us with?

**MARK FENTON-O'CREEDY:** I think, for me, one of the really important things to do with this is set it in historical context, because neither globalisation nor the impact of technology on globalisation are new at all. In the video that's up on the site, and some people may have seen already, I talk a bit about previous waves of globalisation-- for example, the Roman Empire-- and one of the technologies in that that made a big difference to international trade was the invention of the Roman road.

Later on, we saw other innovations, like, for example, the invention of ships with keels for the first time made it possible to sail against the wind and made different kinds of trade routes possible. So various kinds of technologies all throughout history have been interwoven with the way in which trade is globalised. And sometimes, there's been waves of significantly increasing global trade. Sometimes, as we saw during the period of the two world wars, we've seen great global trade taking a dive.

But the most recent wave, and it's a post Second World War, we've seen this exponential increase in globalisation, and it's been associated with new kinds of technologies. And some of that's been around increases in communication abilities, increasing in air travel, those kinds of things, but also, most recently, of course, most would immediately think of information technologies.

And I think the older phrase, information and communication technology, is probably more useful here, because, actually, a lot of what they've enabled us to do is communicate more effectively over distances, as well as move around very large amounts of data. So it's made a massive difference to the way, for example, global supply chains can work. It's made a massive difference in the kinds of goods that we trade.

So, increasingly, there's massive businesses that are founded on information goods of various kinds. So if you look at the success of organisations like Facebook, like Google, and so on, what are they trading? You know, in a sense, they're trading in bits of data, though the meaning that we make out of that data is really important.

Now, it's clear that there have been some very significant benefits from globalisation. So net wealth around the world has increased as a result. The difference in wealth between richer and poorer nations has also decreased, and that's got to be a good thing. But at the same time, it's brought about massive increases in inequality, including within nations. And we're seeing-- some of the social problems we see around the world at the moment, and, indeed, some of the political phenomena, are to do with a backlash against that inequality producing nature of globalisation.

And during the course of the various sessions today, I think we'll spend quite a lot of time talking about the balance between market forces, regulation, what is good governance, what is poor governance? How do those things affect the impacts of both technology and various forms of globalisation?

**KAREN FOLEY:** This whole idea of inequality is an interesting one, and we've been talking at quite a lot of length about the extent to which, in Asia and in Africa, there is a large amount of inequality, both within and between countries, depending, of course, on what instances we talk about and what impact that has. I wonder if you'd like to give it an Asian perspective in terms of the sort of way that that's impacting on technology right now.

**WILFRED  
MANUELA, JR.:** Well, in Asia, let's take a look at some countries that are in the advanced stages of economic development, like Japan and Singapore and South Korea, as well. So these countries actually have benefited more from globalisation and advances in technology, because they have the infrastructure that can actually capture the benefits of information technology, the information technology's impact on globalisation.

But poor countries in South Asia and elsewhere would not have those infrastructure in place, so they don't benefit as much as these advanced economies. But just like Mark mentioned earlier, increases in incomes have come with globalisation and IT revolution. So there really is some benefit, also. But the benefit is not distributed equally among nations in Asia.

**KAREN FOLEY:** What about you, Ian, from an African perspective?

**IAN WAIRUA:** Well, I think there are different ways of looking at the situation in Africa, and I think the first is that Africa has really been left behind in many ways. If you look at global trade, it contributes possibly less than 2% of global trade.

But you have this huge continent. 20% of the world's land area, 1.2 billion people. And what is happening is that, because of technology, you have a leapfrogging opportunity, because especially of the mobile phone, which is suddenly opening up this huge continent.

Now, the perspective will be that, first of all, there is still conversation about whether to talk about aid or trade, whether to develop aid or to develop trade, to open up Africa, which is these high levels of poverty, problems of health, and many other things, of poor governance. But I think the best way to see the interplay between trade and aid is-- well, I think there's powerful imagery in what has happened in the last few weeks. You see the UK Minister for Trade, Lord Price, has paid an extensive visit to Africa. Just this week, the EU was having their trade talks with African countries in Abidjan.

And if you look at that, it's about trade. And then the powerful image that emerges is that, at the beginning of last month, we had the UK Minister for Development Aid, Priti Patel, who just

made it to Africa and then had to rush back to the UK and then left her job-- of course for different reasons-- but you can see that perhaps what is winning now is the discussion on trade rather than aid.

**WILFRED**

**MANUELA, JR.:**

Just to add to Ian's discussion, there has been a backlash on aid, because it actually makes recipient countries dependent on other nations. So this dependency actually creates a negative impact on everybody. So that's why the focus now is more on trade, empowering countries to actually have more control on their economic development than just receiving handouts from more advanced economies.

**IAN WAIRUA:**

Aboslutely. I think, when it comes to the global conversation on trade, I think it now centres on multilateral negotiations, on big negotiation bodies. And the sense is that Africa is being left behind.

But, in fact, what is going on is, if you look at Africa now, 43 countries are members of the WTO, and there is an increase in conversation, even within the continent. And we now have the Continental Free Trade Area negotiation, which has just begun. The East African region has a free trade area, which, at least, has done the customs union and is still moving on slowly. What is going on is that big consciousness that wasn't there in previous decades, but Africa must play a central role in globalisation.

**KAREN FOLEY:**

Let's just take a quick minute, because this is incredibly interesting, but I mustn't forget our online audience, who have been telling us how they're feeling and have been feeding in some questions. We asked everyone how they were feeling right now, and I'll just show you the results from that. People are saying that they are feeling relaxed, interested, curious, impressed, challenged, accepted, well wrapped up-- so some of our colleagues in the United Kingdom, possibly-- comfortable in their studies, good overall, uncaffeinated, out of my depth, alive, challenged, impressed, supported, representative. So that's all absolute brilliant.

If any of this is feeling out of your depth, I mean, we're going to be talking about a lot of issues, and, ultimately, it's this whole idea of globalisation and the impact to which, you know, one size doesn't necessarily fit all, and how that relates. So if this isn't your subject specific area, I'm sure that there'll be plenty to talk about, in particular when we start talking about mobile phones and various use of technologies that will be very familiar, so please stay with us and keep chatting.

Zach, how's everything going?

**ZACH:** Yeah, good. One of our computing students has a question for our guests. and he wants to know whether or not they see the de-centralized currencies, such as Bitcoin, having a positive or negative effect on global economics and business. And that's from Davin Davies.

**KAREN FOLEY:** Interesting question.

**MARK FENTON-  
O'CREEVY:** I'm in academics, so I'm not going to answer the question directly, but I'm going to get--

**KAREN FOLEY:** Very honest of you, Mark.

**MARK FENTON-  
O'CREEVY:** I'm going to get there. So one of the things that we will end up talking about quite a lot, I think, is the tension between the free market operating in an unfettered way and what's needed for effective regulation in order to stop various forms of exploitation, criminality, corruption, and so on that can so easily become a side product of globalisation.

And if you take the phenomenon of digital currencies, one of the key features of them is they are underpinned, in a sense, by a libertarian ideology, you know, that they are not controlled by government. They are not regulated. And that has a couple of results. One result is that, because there's a real issue of trust in this new emerging form of technology, then it means that valuations are very, very volatile. But the other is that, in truth, they're being mostly used-- the biggest use of them is to hide forms of criminality and corruption.

So to what extent will they play a part in globalisation? One of my fears, I think, is that they will help support some of the dark side of globalisation. But when I talk about trust, there's a flip side to that, of course, because there's a sense in which these technologies, particularly the blockchain idea on which they're based, is all about trust. It's about a way of certifying that a transaction has taken place as claimed, and it's not dependent on any single certifying authority. It's a distributed approach. And that enables people to have a trust in the Bitcoin system, that though they may not know an individual who's engaged in a transaction, they know through the network that multiple people in that network have certified that that transaction's taken place.

And those technologies, perhaps more so than the idea of digital currencies themselves, will have a profound impact. Even in my area of education, people are starting to talk about, can you use blockchain, for example, to ensure that, when somebody claims that they've got a

degree from a particular institution, that that can be automatically validated in the highly trustworthy way. You can see how those approaches can be used in forms of commercial contracting and ensuring that, even in very complex chains of transactions, that things that are being said have happened, have happened.

So as a set of technologies that have an interesting approach to mediating trust-- and all markets depend for their effectiveness on degrees of trust-- I think they're very interesting possibilities for the future.

**KAREN FOLEY:** Are there any other questions for the moment, Zach? And can we remind everybody at home, as well, that there are lots of questions that we'd like your feedback on, either in the chat, or you can vote on those.

Some of the things that we're interested in asking you are about the extent to which you agree that there should be harmonisation of corporate governance practises globally. In your view, do you expect good corporate governance to have an impact on the financial performance of firms? What are some of the management and business challenges that globalisation and the pace of technological change face us with? So that's a word. I'll just put ideas in there, and I know a lot of people have been filling them in. But when you do fill them in, you'll, of course, be able to see what other people have said, also.

We've got a scale about, as we become more globalised, are organisations over the world facing the same challenges and opportunities? What should firms be doing to understand futures-- and this will be something that we'll come back to towards the end of today's session-- and how should they be grappling with uncertainties about those futures? Some of the ethical social challenges that globalizations and the pace of technological change face us with, so various aspects around this and what those implications are. And there might be something that we haven't thought of that you can comment on in the chat, as well. We'd also like to know whether or not you've lived or worked in one country, because sometimes this can influence our perspective on things, as well. So it'd be very interesting to know that. And then, perhaps, if you have lived in different countries, how does living in another country affect your attitude towards globalisation?

So please fill those questions and in the chat, and we'll be drawing those into our discussion. I mean, Mark, maybe if we could pick up there around this whole idea about businesses or businesses around the world. So to what extent are they facing the same challenges and



opportunities? You know, how much is global? How much is local? And, you know, where is that sort of point in the middle mattering right now?

**MARK FENTON- O'CREEVY:** Yeah. So, you know, actually, since the fall of the Soviet Union, it's been commonplace around the world, and businesspeople, economists, the talkers, you know, that say things like, well, you know, capitalism has triumphed. You know, there is only one really viable economic model now, and it's capitalism.

And there's a sense in which that's true. But they're remarkably different forms of capitalism around the world. So in countries like the UK, and in the USA as the exemplar of this, there's a form of what could be described as liberal markets capitalism, where a very high proportion of coordination between individuals and firms and other organisations is through markets-- labour markets, markets for raising capital, stock markets, and so on.

Even as close as countries-- the UK has Germany, a very, very different model of capitalism, where you have much different forms of coordination between firms. So, first of all, labour markets don't operate in the same way, because there's much tighter regulation of the ability to hire and fire, for example. There's structures which require employee representative involvement in super advisory boards. There's cross-sector industry associations, which jointly work together to set wage levels that kind of take wages out of competition between them. The banks are often holding stakes, multiple stakes, in firms in the same sector and also act as a kind of coordinating mechanism.

Now, it is still a capitalist economy, but the sort of institutional structures of the economy are really quite different, and that leads to different results. It's a very very successful economy, by the way. This is a country that's a lot smaller than either China or America, but, depending on currency values at any one time, the annual value of their exports is often larger than either China or America.

On the other hand, you go-- I just mentioned China. You know, arguably, you could say that there's a kind of capitalism that's growing up in China, that the Chinese talk about markets with Chinese characteristics. What you've got there is you've got a kind of central state directed version of capitalism, but, you know, a lot of features in common. In some ways, it's been very successful for the Chinese.

In Asia-- and Asia is not a single country, and there's little variation country to country-- but you talked, Wilfred, about the challenges of variations in infrastructure, and I think that's a very

important inter-country difference.

But another very important difference is around the ways in which cultures and social institutions work differently. So take, for example, how firms are financed. Now, again, UK, USA-- you know, a very common understanding of how firms are financed is through various forms of market mechanisms. Within Asian cultures, especially within Chinese diaspora influenced countries, there's much greater reliance on social and family connections, you know, this Chinese idea of [INAUDIBLE], which is a kind of social capital that you have with other people in your networks that enables you to draw on them for help, for support, including pulling together money. And that that's often a very quick, flexible way of raising, sometimes, really quite large sums of money.

**WILFRED**

Just a quick comment on what Mark mentioned about the Chinese way of financing

**MANUELA, JR.:**

businesses, because, in the Philippines, we have a sizable ethnic Chinese community, and they also do that among themselves. So the repayment percentage is very high, because once you do not repay your borrowings from that group, you become a pariah. So they really have a way of controlling members within that group, this closely knit group of Chinese, Filipino businessmen. So they lend among themselves, and they also support one another's businesses.

But the non-Chinese Filipinos would access intermediaries-- banks, usually-- because capital markets in the Philippines are not that well developed. As Mark mentioned earlier, the English speaking countries, especially UK and the US, they have a very transparent financial market. You know, there is hardly any screen between dividing the company and the public.

**KAREN FOLEY:**

I know, Mark, you want to feed in, and we've also got a question, and we're nearly out of time. So we'll try and get the points in, but then we're going to be talking very much specifically about how this impacts on Africa in a minute. Did you have something you wanted to add quickly?

**MARK FENTON-**

No, I think I've more or less-- that was a very useful answer. Just to say, I think the easy

**O'CREEVY:**

assumption in the UK and the US is that other systems are somehow less advanced, and, hence, if only that we could get them to adopt the kind of capital markets we have in the UK and the USA, that things would be all right.

But, actually, that family network and [INAUDIBLE] network system of raising capital within Chinese networks is remarkably efficient and, in some ways, has some benefits over and

above more market mediated forms of raising capital, partly because of some of that trust, taking transactions costs out of the process.

**KAREN FOLEY:** Returning to that idea about the Bitcoin interest, as well. Zach, let's just put that final question to our panel.

**ZACH:** So quite a few discussions been sparked due to this. We've got one from John, which is probably more directed at yourself, Ian. And he assumed the percentage of trade in Africa is measured by the value of goods rather than quantity. Unprocessed goods typically have a low markup. I've heard that if Africa protected its raw resources, it would capture more of a final mark up. That's quite an in-depth question there.

**KAREN FOLEY:** Might be one to bring into our next session, if that would be OK, because if there are a few questions, we might just see what those are before we close.

**ZACH:** We've got one from Terry from Twitter, Terry O'Sullivan, who's enjoying the discussion so far. And his question is about how business schools can best respond to the increasing automation of managerial work, and what should we be teaching our students now for the future?

**KAREN FOLEY:** Excellent. I know this is something we wanted to cover later, isn't it? So, yes, we'll definitely reply to that one, Terry, a bit later. Perfect. Very good question. And finally?

**ZACH:** Well, we've got one from Tikula, who's been, actually, in the chat room since about 8:10 this morning. He's from Afghanistan, chiming in. So globalisation, information in technology, and social media, he recognises that they've improved people's lives around the world, but it has raised a big concern for privacy, and he wanted to find out, with such things as hostile competition, how can we protect our privacy, especially when it comes in the business context, business privacy?

**KAREN FOLEY:** Excellent. Shall we pick this question up, and we'll resolve the other two for the other sessions, and then we'll end this particular slot.

**MARK FENTON-** Yeah. Yeah. So should I start us off?

**O'CREEVY:**

**KAREN FOLEY:** Yeah. Well, we only have a few minutes, Mark.

**MARK FENTON-** OK. You're quite right.

**O'CREEVY:**

**KAREN FOLEY:** Because we are over, but a very interesting question. Thank you.

**MARK FENTON-** So we have become the product. You know, so if you look at any free service you are signing

**O'CREEVY:** up for-- Google, Facebook, and so on-- why is it free? What's being sold? You are. It's the reason that companies can afford to invest these very large sums of money in free digital products-- their audiences-- is because, actually, it's not so much about the provision of that free service as delivering you as a product and your information as a product.

In this country, we're starting to see now these automated speech recognition systems that will be able to switch the lights on for you and so on. One of the other things they're doing is picking up all of your conversation and using that to better target advertising at you, because they know what you're talking about.

**KAREN FOLEY:** And we'll be picking up on this in our final session about big data and artificial intelligence, as well.