

# Technological Adoption and the New World Economic Order

Navroop Sahdev

WAAS and Future Capital round table World Bank, September 2019

# What is the New World Economic Order?

A revision of the international economic system

First adopted by the United Nations General Assembly

- In the favor of the individual and not large financial institutions (backed by nation states).
- Decentralized local governance facilitated by technology, and not national populism.

- Part of Declaration for the Establishment of a New International Economic Order, 1974.
- Focused on equitable trade terms.
- Part of the "North-South" dialogue.



#### Why should I care about the SDGs?

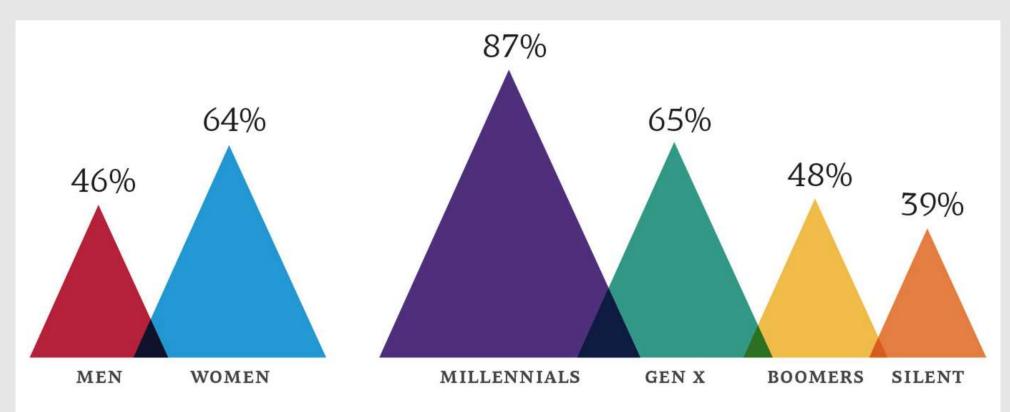
Focusing purpose

Attracting capital

Driving growth

Addressing risk

#### Changing demographics and customer behavior



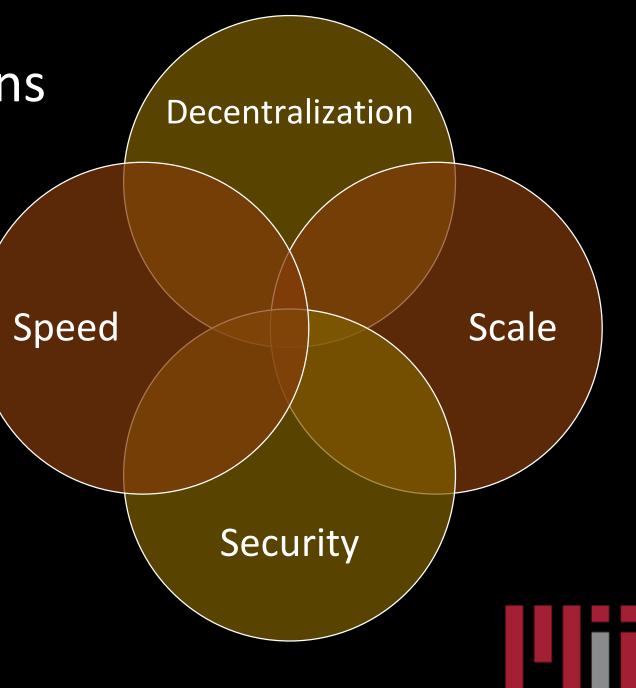
The majority of Millennials, Gen X and women believe that a company's track record in environmental, social and governance is an important consideration for investing. In fact, 37% of all high-net-worth investors are reviewing their portfolios for impact investments.

Source: US Trust, 2018 Insights on Wealth and Worth

# Can technology help achieve the Global Goals?

# The necessary conditions

- Decentralization: Impacts the distribution of value in the system.
- Security: Prevents systemic failure. Privacy is critical to build systems heavily reliant on data. Failures have cascading effects.
- Scale: Global interdependencies that can be facilitated.
- Speed: Supports the pace of commerce and globalization.



# Blockchain

Future Infrastructure Technology

Can help raise the trillions of dollars needed to finance the SDGs

System shift from Shareholder to Stakeholder

Incentivize behavioral change

#### **Machine Learning**

Automation tools

Unprecedented precision

Mitigate systemic failures

Unleash imagination

# **3D** printing

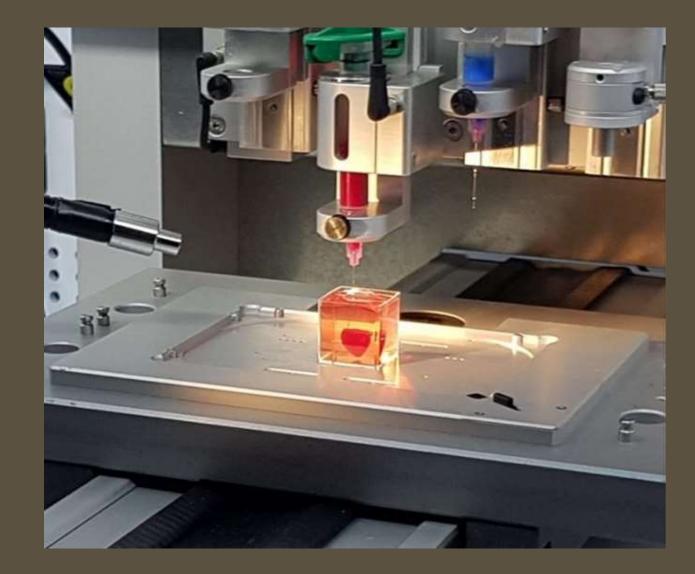
Decentralized local production

Democratization of mass production

Customization, no one size fits all

Reduction in waste because of additive manufacturing

New era of creativity



#### While we are at it...

f

1







Lawrence Wintermeyer Contributor () Fintech



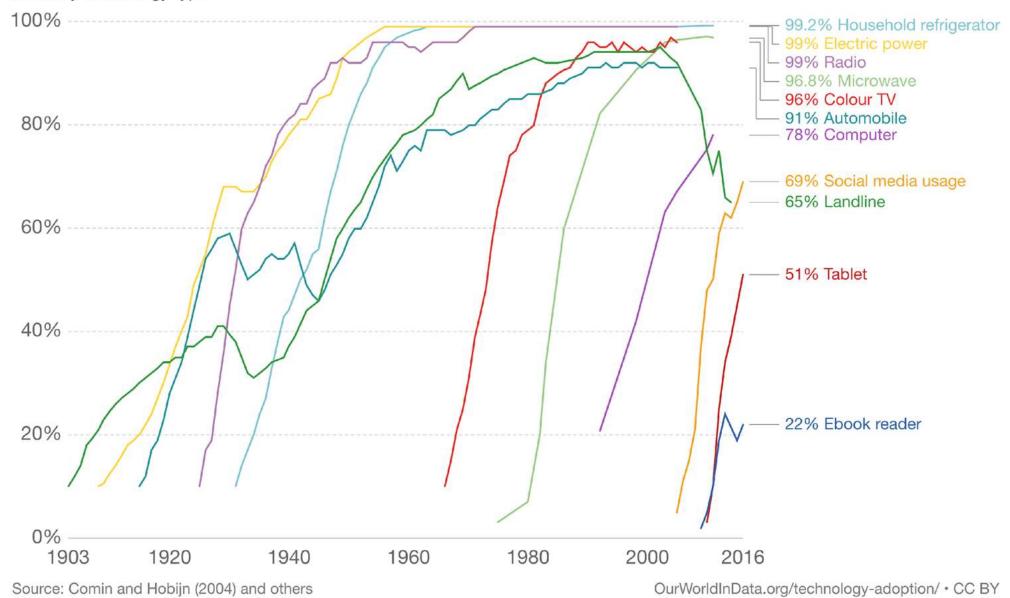


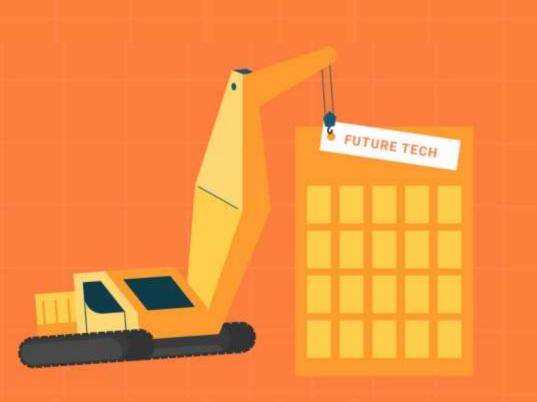
# What's stopping us? ADOPTION

#### Technology adoption by households in the United States



Technology adoption rates, measured as the percentage of households in the United States owning, or the adoption rates of, a particular technology. See the sources tab for definitions of household adoption, or adoption rates, by technology type.

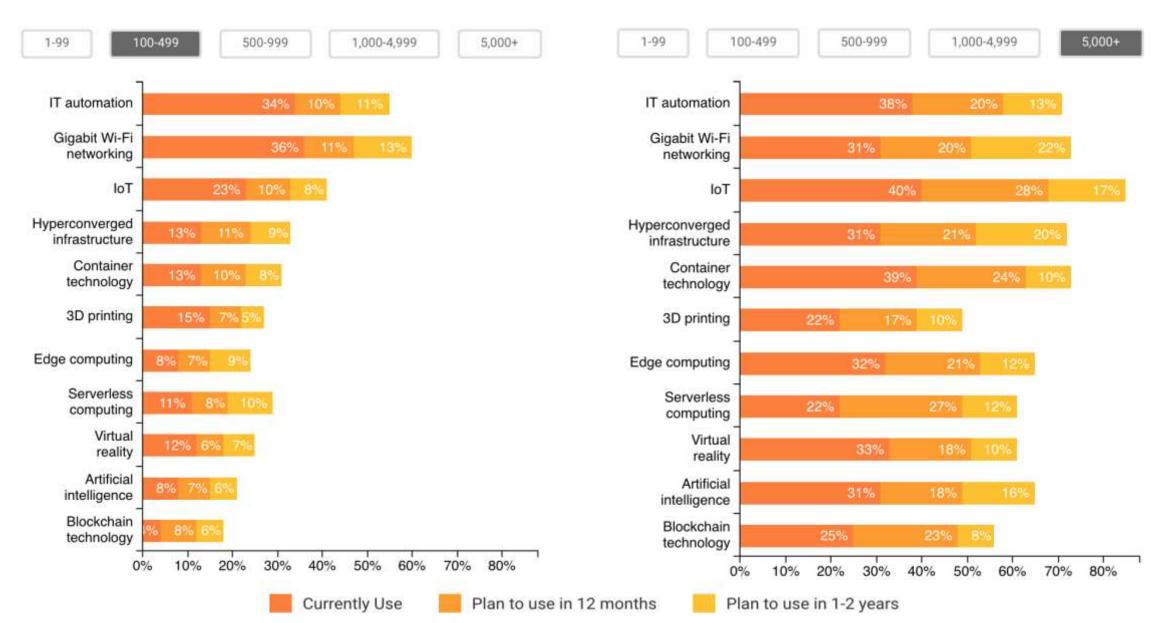






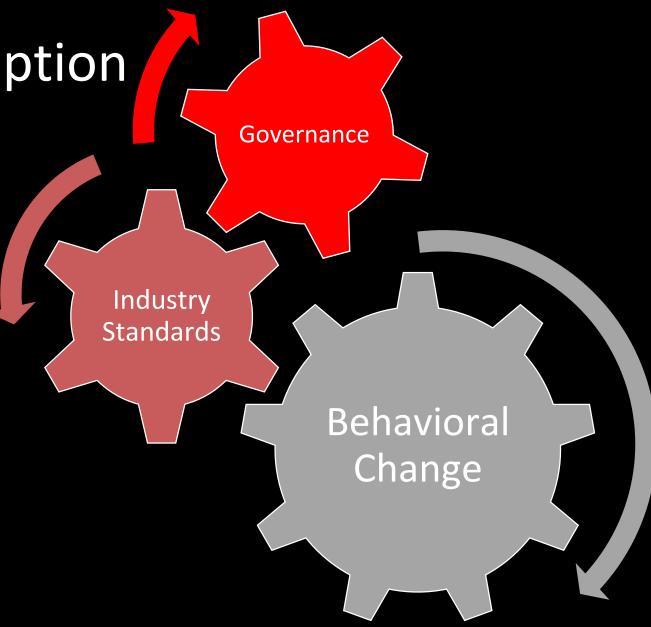
With the exception of IT automation and gigabit Wi-Fi networking, smaller orgs aren't adopting emerging tech trends as quickly as their larger counterparts. In some cases, such as with AI, adoption rates in large enterprises are 10 times higher than in small businesses. Large enterprises typically have more advanced use cases and needs influencing their adoption of emerging technologies, such as the need to connect multiple sites and manage complex infrastructures. Larger businesses also have access to more resources — both money and workforce — and are more likely to boost IT budgets next year, allowing them to simultaneously renovate outdated infrastructure and invest in innovation.

## Adoption of technology trends



# Challenges to User Adoption

- Governance: Lack of governance framework; crossborder governance.
- Industry standards: Hinderance to interoperability.
- Behavioral change: Application of behavioral economics to technology is not well understood.



#### "I can't be a pessimist because I'm alive." – James Baldwin

# Let's engage!

navroop@mit.edu

# **DELONATION OF CONTROLS**